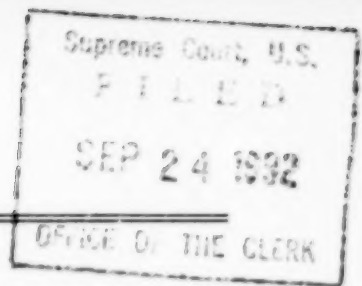


No. 91-1526



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In The  
**Supreme Court of the United States**  
October Term, 1992

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FERRIS J. ALEXANDER, SR.,

*Petitioner,*

vs.

UNITED STATES OF AMERICA,

*Respondent.*

---

On Writ Of Certiorari To The United States  
Court Of Appeals For The Eighth Circuit

---

**JOINT APPENDIX**

---

JOHN H. WESTON\*  
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(202) 514-2217

*Counsel for Respondent*

---

**Petition For Certiorari Filed March 16, 1992**  
**Certiorari Granted June 29, 1992**

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# RELEVANT DOCKET ENTRIES

CRIMINAL DOCKET U.S. District Court

U.S. vs ALEXANDER, FERRIS JACOB

Case Filed			Docket No.	Def.
Mo.	Day	Yr.		
05	30	89	00085	01

DATE	DOCUMENT NO.	PROCEEDINGS
------	--------------	-------------

5-30-89	1) INDICTMENT.	
	2) MOTION OF THE U.S. FOR ENTRY OF A RESTRAINING ORDER PURSUANT TO 18 USC 1963(d)(1)(A).	

\* \* \*

	6) POST-INDICTMENT RESTRAINING ORDER PURSUANT TO 18:1963(d)(1)(A)	
--	---	--

\* \* \*

6-8-89	15) ORDER (JMR 6-7-89) that all pretrial matters shall be referred & assigned to Mag. Symchych.	
--------	---	--

\* \* \*

6-22-89	20) STIPULATION TO MODIFY & AMEND POST INDICTMENT RESTRAINING ORDER PURSUANT TO 18 USC 1963(d)(1)(A).	
---------	---	--

	21) ORDER (JMR) AMENDING POST INDICTMENT RESTRAINING ORDER	
--	--	--

\* \* \*

6-29-89

- 24) ORDER (JMR) (6-29-89) IT IS HEREBY ORDERED that deft. is authorized to sell, convey & transfer title & possession of real estate, etc. to the city of St. Paul in accordance w/their purchase agreement. IT IS FURTHER ORDERED that the restraining order entered on 5-30-89 be amended to substitute the sale proceeds payable by the City for the Flick. Proceeds to be deposited w/Ramsey County District Court. Deft. restrained from assigning, pledging etc. sale proceeds w/o further order of this Court.

\* \* \*

7-28-89

- 29) DEFENDANT'S MOTIONS:
- 1) to dismiss indictment;
  - 2) dismiss Cts. VI - XLI of indictment;
  - 3) dismiss indictment/irreparable damage to right of asst. counsel;
  - 4) dismiss Cts. of indictment violations of 18 U.S.C. 1466;
  - 5) dismiss Cts. VI, VII & VIII;
  - 6) dismiss based equitable estoppel & due process;
  - 7) dismiss & strike portions of indictment on due process, etc.;
  - 8) for relief from prejudicial joinder & misjoinder of deft's;
  - 9) for discovery etc.;
  - 10) disclosure & suppression of electronic surveillance [sic];

- 11) discovery & suppression of confessions/statements;
- 12) exclude testimony of Robert Milavetz;
- 13) discovery of exculpatory information;
- 14) discovery, inspection & copying under FED R. CRIM. R. 16
- 15) disclosure of impeaching information;
- 16) permit inspection of Grand Jury Trans.;
- 17) list of government witnesses;
- 18) bill of particulars;
- 19) Jencks Act Materials;
- 20) government agents to retain roughnotes;
- 21) requiring govt. to notify defense of intent to use evidence
- 22) disclosure of prospective jurors;
- 23) affidavit of Neal Shapiro;
- 24) additional peremptory challenges
- 25) disclosure of confidential informers;
- 26) compel govt. to disclose evidence favorable to deft;
- 27) permit affirmative defense;
- 28) designate [sic] the instant case as complex
- 29) to join in & adopt mtns. of co-deft's.

\* \* \*



8-8-89

31) HEARING (JMS/BRT) on motions:

10-2-89

40) REPORT &amp; RECOMMENDATION &amp; ORDER (JMS 9-30-89) re motions:

1. to find the forfeiture provisions of 18:1963, when applied to a prosecution based on predicate offenses of obscenity, to be unconstitutional under the first amendment be granted;
2. find the pretrial restraining order provisions of 18:1963, when applied to a prosecution based on predicate offenses of obscenity, to be unconstitutional under the first amendment - granted;
3. dismiss counts 6, 7 & 8 - denied;
4. forfeiture provisions of the indictment - dismissed w/prejudice;
5. pretrial restraining order presently in effect be vacated, & any sum expended by defts for its monitoring be restored to them w/in 30 days hereof, or upon any order of the trial court sustaining this recommendation;
6. to otherwise find the RICO statute, when applied to a prosecution based upon predicate offenses of obscenity, unconstitutional under the first amendment be denied;
7. to find the RICO statute, as applied to a prosecution based upon predicate offenses of obscenity, to be unconstitutional in violation of the Ex Post Facto Clause be denied;

8. to find the obscenity standard underlying the charged RICO predicate offenses & the offenses charged pursuant to 18:1465 & 1466, unconstitutional under the first amendment be denied;
9. dismiss the indictment on grounds of equitable estoppel be denied;
10. dismiss the counts alleged under 18:1465 & 1466 on grounds of temporal remoteness be denied;
11. for leave to present an affirmative defense that he in good faith mistakenly believed the materials in issue not to be obscene be denied;
12. dismiss Count I of the indictment on grounds of duplicity be denied;
13. dismiss Count I of the indictment on grounds of irreparable harm to the 6th amendment right to counsel & interference w/the atty-client privilege be denied;
14. dismiss Count I of indictment on grounds that it is properly chargeable only as a conspiracy to violate 26USC 7206(1) be denied;
15. dismiss indictment on grounds of prosecutorial misconduct before the grand jury be denied;

16. suppress evidence obtained by search & seizure be, until such time as the matter is briefed & heard, under advisement.
17. suppress statements, including the product of electronic surveillance, be denied;
18. suppress trial testimony of witness Robert Milavetz be denied. Tigues's motion for severance & separate trial from the remaining defts. is granted;

\* \* \*

10-30-89

- 53) DEFT'S MOTION FOR RETURN OF PROPERTY ILLEGALLY SEIZED PURSUANT TO RULE 41(E)

\* \* \*

1-30-90

- 78) MINUTES OF JURY TRIAL (JMR/DMB) Jurors impaneled.

\* \* \*

5-8-90

- 133) MINUTES OF JURY TRIAL (JMR/DMB) Closing arguments continued. Court charges jury.

5-8-90

- 133<sup>1/2</sup>) AMENDED INDICTMENT

\* \* \*

5-23-90

- 143) MINUTES OF JURY TRIAL (JMR/DMB) Jurors return w/verdict. Jurors informed that they would have to return on 5-24-90 and begin the forfeiture part of the trial for deft. Ferris Alexander only.

- 144) VERDICT - We the jury find deft. guilty as charged in Counts I-IX, XX-XXV, XXVIII, XXX, XXXI, XXXIII-XXXVII, XXXIX, XLI. We the jury find deft. not guilty as charged in Counts X-XIII, XV-XIX, XXVI, XXVII, XXIX, XXXII, XXXVIII, XL.

5-25-90

- 145) ORDER (JMR) ASSURING ASSET PRESERVATION IN IMPLEMENTATION [sic] OF 18 USC 1963.

- 146) SPECIAL VERDICT FORM AS TO FERRIS ALEXANDER.

5-24-90

- 147) MINUTES OF JURY TRIAL (JMR/DMB) Ferris Alexander is called. Closing arguments. Jury deliberations begin.

5-25-90

- 148) MINUTES OF JURY TRIAL (JMR/DMB) Jurors had 2 q. as. Jurors return special verdict.

\* \* \*

6-1-90

- 151) ORDER (JMR) re: forfeiture of property. Forfeiture of the RICO properties may not be granted prior to sentencing; and its orders of 5-25-90 and 5-26-90 are vacated.

6-12-90

- 153) DEFENDANTS MOTION IN ARREST OF JUDGMENT AND IN THE ALTERNATIVE A MOTION FOR A NEW TRIAL.

\* \* \*

8-6-90

- 167) ORDER AND JUDGMENT OF FORFEITURE (cc: attys)

\* \* \*

- 8-6-90 169) ORDER (JMR) THAT: deft's motion for arrest of judgment or in the alternative for a new trial is denied.
- 8-13-90 170) ORDER (JMR)  
 1) deft. hereby forfeits the property and proceeds considered in this order and specifically delineated in this Courts accompanying forfeiture order and judgment dated 8-6-90.  
 2) deft. shall pay to the United States the sum of \$29,737.84 as the costs of prosecution.
- 8-6-90 171) SENTENCING (JMR/DMB) Deft. is committed to custody of BOP for impr. term of 72 months as to Counts 4,5, and 6. Said sentences to run concurrently; impr. term of 60 months as to counts 1,7,8,9,24,25,33,34,35,36,37 and 39, said sentences to run concurrently with each other and concurrently with the sentences imposed on Counts 4,5,and 6; impr. term of 36 months as to Counts 2,3,20,21,22,23,28,30,31 and 41, said sentences to run concurrently with each other and concurrently with the sentences imposed on Counts 1,2,3,4,5,6,7,8,9,24,25,33,34,35,36,37 and 39. Court recommends to BOP FMC at Rochester, Mn. as place for service of sentence. Deft. shall surrender for service of sentence at the institution desig. by BOP 8-28-90. Deft. to serve a supervised release term of 3 years as to Counts

1,4,5,6,7,8,9,24,25,33,34,35,36,37 and 39, said sentences of supervised release to run concurrently. Deft. to serve supervised release term with conditions. Deft. to pay \$950.00 special assess. Deft. to pay a \$100,000.00 fine. \$100,000.00 aggregate fine as to Counts 1,4,5,6,7,8,9,24,25,33,35,36,37 and 39. Deft. shall pay the costs of his incarceration and supervised release. These amounts shall be \$1,415.56 per month for the period of incarceration, and \$96.66 per month for the period of supervised release. Deft. shall forfeit property and proceeds and pay costs of prosecution as set forth in this Courts order dated 8-6-90. The 8-6-90 order is hereby incorporated into this judgment.

\* \* \*

8-10-90

- 173) ORDER (JMR) 1) deft's motion for release of a \$50,000 Surety bond is denied; 2) governments motioin [sic] to revoke deft's RPR bond is granted & USMS is directed to arrest deft. and take him into custody forthwith [sic] or immediately upon his release by attending physicians from the Metropolitan - Mt. Sinai Medical Center;

\* \* \*

8-9-90

- 175) Notice of Appeal to USCA, Eighth Circuit from Judgment & Commitment of 8-6-90.

\* \* \*

9-6-90 183) DEFENDANTS MOTION FOR STAY OF FINE AND COSTS PENDING APPEAL PURS. TO RULE 38(c) OF THE FEDERAL RULES OF CRIMINAL PROCEDURE.

9-4-90 184) Notice of Appeal by plaintiff (USA) from Final Order and Judgment of 8-6-90 and 8-10-90.

\* \* \*

9-7-90 186) MINUTES OF HEARING Deft. motion for stay of forfeiture - u/advisement. Deft's motion for stay on costs of confinement and fine - u/advisement. Deft's motion to reinstate bond pending appeal - u/advisement.

\* \* \*

10-5-90 244) ORDER (JMR) THAT: deft's motion for stay of fines & costs is denied.

\* \* \*

10-18-90 246) ORDER (JMR) THAT: deft's motion for release pending appeal is denied.

\* \* \*

11-5-90 249)-  
259) GOVERNMENTS MOTIONS FOR FINAL ORDER OF FORFEITURE.

\* \* \*

11-6-90 262) DEFENDANTS NOTICE AND MOTION TO SET ASIDE WRIT OF EXECUTION.

11-8-90

270) ORDER (JMR) THAT: the USMS is hereby authorized to release to the United States Video, Inc., its agents or employee on appointment to be made which is mutually convenient to both U.S. Video, Inc. and the USMS and within 14 days following the date of this Order all the videos, filing cabinets, furniture and other office supplies and equipment more fully set forth in the inventory, a copy of which is attached, shall be released by the USMS to U.S. Video, Inc. and removed from the premises at 315 East Lake Street in the City of Mpls.

\* \* \*

11-16-90

273) FINAL ORDER OF FORFEITURE (JMR) (11-15-90) THAT: the following property is condemned & forfeited to the United States as follows: The Westerly 24 feet of the Easterly 46 feet of Lot 1, Block 144, original plat to Winona, located upon and forming a part of Govt. Lot 2, Section 23, Township 107 North Range 7, West of the Fifth Principal Meridan, Winona County, Mn. 2) that the U.S. has clear title to the above-described real property and may warrant good title to any subsequent pruchaser [sic] or transferee by USMS Deed. 3) That the USAG or his designated agent shall direct the disposition of the property by sale or other commercially feasible means and the proceeds of any sale or other dismposition [sic] of



the property shall be used to pay all proper expenses for the forfeiture and the sale, including expenses of seizure, maintenance and custody of the property pending its desposition [sic], advertising, and court costs. 4) That the USAG or his designated agent shall deposit any remaining proceeds from the sale of the forfeited property into the Treasury purs. to title 18 USC 1963(f).

\* \* \*

12-4-90

278) ORDER (JMR) (12-3-90) THAT: IT IS HEREBY ORDERED AND ADJUDGED THAT: the U.S. is hereby awarded judgment against Ferris J. Alexander Sr. in the sum of \$578,020.38 plus prejudgment interest from 12-16-88 to entry of this judgment at the rate of 8% per annum and further that said judgment accrue post-judgment interest at the rate allowed by law, until said judgment is paid in full.

12-7-90

279) INTERIM ORDER OF FORFEITURE (JMR) (12-6-90) \* \* \*

\* \* \*

1-22-91

280) ORDER (JMR) (1-18-91) THAT: Petitioners request that her property interest be recognized & exempted from forfeiture - denied.

\* \* \*

1-30-91

282) FINAL ORDER (JMR)(1-28-91) OF FORFEITURE - re: Lot 10 Auditors Subdivision No.187.

283) FINAL ORDER (JMR)(1-28-91) OF FORFEITURE - re: 315 South Broadway, rochester [sic].

284) FINAL ORDER (JMR)(1-28-91) OF FORFEITURE - re: 319-323 South Broadway, Rochester.

285) FINAL ORDER (JMR)(1-28-91) OF FORFEITURE - re: 341-347 East Lake Street, Mpls.

286) FINAL ORDER (JMR)(1-28-91) OF FORFEITURE - re: Lot 9, Block 3, Hennepin County, Mn.

287) FINAL ORDER (JMR)(1-28-91) OF FORFEITURE - re: 311-315 East Lake Street, Mpls., Mn.

288) FINAL ORDER (JMR)(1-28-91) OF FORFEITURE - re: AB Distributors etc.

289) FINAL ORDER (JMR)(1-28-91) OF FORFEITURE - 739-743 East Lake Street, Mpls.

290) FINAL ORDER (JMR)(1-28-91) OF FORFEITURE - re: 324-328 1/2 South Broadway, Rochester, Mn.

291) FINAL ORDER (JMR)(1-28-91) OF FORFEITURE - re: 621-623 University Avenue West, St.Paul., MN.

\* \* \*

4-22-91

297) GOVERNMENTS NOTICE OF ORDER AND JUDGMENT OF FORFEITURE.

\* \* \*

3-12-91 299) Certified copy of Judgmen[t] from  
USCA granting Appellants motion  
to dismiss cross appeal.

\* \* \*

7-23-91 302) ORDER (JMR) (7-22-91) THAT: on  
8-6-90 a money judgment was  
entered against deft. The govt.  
served writs of executions on var-  
ious financial institutions for  
accounts held by deft. Some of the  
accounts were held in the names of  
deft's family members. Before the  
Court ruled on the motion, deft.  
filed for Chapter 11 bankruptcy.  
ACCORDINGLY: this matter will be  
referred to the bankruptcy court for  
resolution. \* \* \*

\* \* \*

8-30-91 304) ORDER (JMR) THAT: 1) deft's bond  
is hereby forfeited to the United  
States. 2) Dolores Alexanders motion  
for return of the posted bond is  
denied.

\* \* \*

11-14-91 311) CERTIFIED COPY OF MANDATE  
FROM THE UNITED STATES  
COURT OF APPEALS FOR THE  
EIGHTH CIRCUIT.

312) CERTIFIED COPY OF JUDGMENT  
THAT: After consideration, it is  
hereby adjudged that the judgment  
of the district court in this cause is  
affirmed in accordance with the  
opinion of this Court.

UNITED STATES COURT OF APPEALS  
FOR THE EIGHTH CIRCUIT

CASE NO. 89-5364MN

Ferris Alexander,

Appellant,

vs.

Richard Thornburgh, in his official  
capacity only as Attorney General  
of the United States,  
Appellee.

APPEAL FROM  
DISTRICT OF MINNESOTA

NO. BELOW:  
CIV 4-88-526

JUDGE BELOW:  
DOTY

DATE OF JUDGEMENT:  
5-5-89

\* \* \*

TYPE OF CASE:  
\* \* \* US CIVIL

NATURE OF CASE:  
Civil Rights - Other Civil Rights

\* \* \*



DATE	FILINGS-PROCEEDINGS	* * *
1989		
7-11	DOCKETED appeal.	
* * *		
1990		
* * *		
May 14	DOCKET NOTE: This case is held in abeyance. We will await a criminal appeal and motion to consolidate the appeals. * * *	
* * *		
Aug. 7	ORDER: The court has considered the parties' statements regarding mootness * * *. It appears that Mr. Alexander has a criminal case before the United States District Court in which he has been convicted but not yet sentenced. Accordingly, it is ordered that this civil case be held for determination by the same panel that considers the criminal appeal. * * *	
* * *		
Aug. 22	DOCKET NOTE: Notice of appeal filed, case nos. 90-5417 and 90-5449 are consolidated with this appeal for submission to the Court.	
* * *		

1991

\* \* \*

Mar. 13 ARGUED AND SUBMITTED AT ST. PAUL TO JUDGES JOHN R. GIBSON, FLOYD R. GIBSON AND WOLLMAN. \* \* \*

\* \* \*

Aug. 30 OPINION BY J.R. GIBSON PUBLISHED. w/5417

AUG. 30 JUDGMENT: The judgment of the district court in this cause is affirmed in accordance with the opinion of this Court. w/5417

\* \* \*

Sept 16 Suggestion for rehearing en banc filed by aplnt in case No. 90-5417 UNTIMELY

Sept 20 Motion to file suggestion for rehearing en banc out of time filed by aplnt in case No. 90-5417

\* \* \*

Oct 30 Suggestion for rehearing en banc denied in case No. 90-5417

Nov 11 REVISED JUDGMENT: The judgment of the district court is affirmed in accordance with the opinion of this court.

Nov 11 MANDATE ISSUED

\* \* \*

UNITED STATES COURT OF APPEALS  
FOR THE EIGHTH CIRCUIT

CASE NO. 90-5417MN

United States of America,

Appellee,

vs.

Ferris Jacob Alexander, Sr.,

\* \* \*

Appellant.

APPEAL FROM  
DISTRICT OF MINNESOTA

No. BELOW:  
CR 4-89-85

JUDGE BELOW:  
ROSENBAUM

DATE OF JUDGEMENT:  
08/06/90

TYPE OF CASE:  
CRIMINAL

\* \* \*

CASE NO.	RELATED NOS.	MISC. NO.
90-5417MN	w/90-5449MN	

DATE FILINGS-PROCEEDINGS \* \* \*

1990

08-22 DOCKETED appeal.

\* \* \*  
DOCKET NOTE: This is to be consolidated  
for submission to the Court with 89-5364MN.

UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA

UNITED STATES OF  
AMERICA,

Plaintiff,

v.

FERRIS JACOB  
ALEXANDER, SR.,  
a/k/a PETE SABA,  
a/k/a PETER SABA,  
a/k/a PAUL SABA,  
a/k/a JOHN THOMAS,  
a/k/a BOB OLSON,  
a/k/a JIM NELSON,  
a/k/a JIM PETERSON,  
a/k/a JAMES PETERSON,  
a/k/a ROBERT JOHNSON,  
a/k/a ROBERT CARLSON,  
a/k/a FRANK NETTI,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER,  
WANDA MAGNUSON, and  
RANDALL D. B. TIGUE,

Defendants.

)  
)  
)  
) INDICTMENT  
) (AMENDED)

) (18 U.S.C. § 2)  
) (18 U.S.C. § 371)  
) (18 U.S.C. § 1465)  
) (18 U.S.C. § 1466)  
) (18 U.S.C. § 1962(a), (c)  
) and (d))  
) (26 U.S.C. § 7206(1))  
) (42 U.S.C. § 408(g)(2))

THE UNITED STATES GRAND JURY CHARGES  
THAT:

COUNT I

PARTIES

At all times material to this Indictment:

1. The Internal Revenue Service (hereinafter IRS)  
was a constituent agency of the United States Department

of Treasury responsible for administering and enforcing the tax laws of the United States and collecting the taxes owed to the Treasury of the United States by its citizens.

2. Ferris Jacob Alexander, Sr. (hereinafter Ferris Alexander) was the owner, operator and proprietor, directly or indirectly through nominees, of the following business entities:

A B Distributors  
 American Book Wholesalers  
 A B Video  
 Kenneth LaLonde Enterprises  
 East Lake Properties, Inc.  
 East Lake Cinema Corporation  
 West Broadway Properties, Inc.  
 Empress Theatre, Inc.  
 American Book Store  
 American Theatre  
 Empress Theatre, Minneapolis, MN  
 Franklin Theatre Corporation  
 Lake Street Properties, Inc.  
 Rialto Theatre, Minneapolis, MN  
 Rialto Theatre I & II, Minneapolis, MN  
 Strand Theatre, Duluth, MN  
 Capitol Theatre, St. Paul, MN  
 The Flick, Minneapolis, MN  
 The Flick, St. Paul, MN  
 Wabasha Book Store, St. Paul, MN  
 KIMYBA, Inc.  
 FUMYA, Inc.  
 LeRoy Wendling  
 A-Z Bookstore, Duluth, MN  
 Gopher Theatre, Minneapolis, MN  
 Aster Theatre, Minneapolis, MN  
 Express Entertainment Corporation  
 Express Entertainment

Bell Printing, Inc.  
 U.S. Video  
 The Lake Street Bookstore, Minneapolis, MN  
 The Adult Entertainment Center, Minneapolis, MN  
 Chicago-Lake Bookstore, Minneapolis, MN  
 American/Empress Theatre & Bookstore, Minneapolis, MN  
 Nicola's Bookstore, Minneapolis, MN  
 East Hennepin Video Book & Theatre, Minneapolis, MN  
 Broadway Book No. 1, Rochester, MN  
 Broadway Book No. 2, Rochester, MN  
 Joey's Adult Book, Rochester, MN  
 Wabasha Adult Bookstore, Duluth, MN  
 Ultimate Book Store, Winona, MN  
 Video Hits, Winona, MN  
 Video Hits, Crystal, MN  
 American Theatre Supply Co., Inc.  
 Yot Mo, Inc.  
 Haista Paska, Inc., a/k/a Haista Pasta, Inc., Haistpka Corp.  
 Ymparinen, Inc.  
 Lipeakala, Inc.  
 Kumantot, Inc.  
 Utot, Inc.  
 Bulbul, Inc.  
 Kilikili, Inc.  
 Karjalanpiirakka, Inc.  
 Hammaslaakarimatkastanne, Inc.  
 Gardner Hotel, Duluth, MN  
 Northern Hotel, Duluth, MN  
 Newspaper Club  
 Superior Street Company  
 Marlin Gas and Oil  
 Marlin Superette  
 Bell Films

John Thomas  
J. Thomas Company  
Baker Investments  
Bell Investments  
Saippuakauppias, Inc.  
United States Video Distributors

3. Dolores Alexander was Ferris Alexander's spouse and the nominee director, owner, operator and proprietor, of the following business entities:

Ymparinen, Inc.	Kumantot, Inc.
Yot Mo, Inc.	Utot, Inc.
Haista Paska, Inc.	Bulbul, Inc.
a/k/a Haista Pasta, Inc., Haistpka, Corp.	
Video Hits	Kilikili, Inc.
Video Hits, (Corp.)	Karjalanpiirakka, Inc.
Northern Hotel	Hammaslaakarin-
Lipeakala, Inc.	matkastanne, Inc.

4. Wanda Magnuson was Ferris Alexander's bookkeeper and maintained the books and records of all of Ferris Alexander's business entities from about 1970 to the present.

5. Randall D. B. Tigue was an attorney Ferris Alexander hired to perform services for Ferris Alexander and his business entities, nominees and employees.

#### THE OFFENSE

6. Beginning on or about 1969, the exact date being unknown to the Grand Jury, and continuing to the present time, within the District of Minnesota, the defendants,

FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
WANDA MAGNUSON, and  
RANDALL D. B. TIGUE,

hereinafter called defendants, together with each other and with others known and unknown to the Grand Jury, did unlawfully, knowingly and willfully conspire, combine, confederate and agree together and with each other to defraud the United States of America by impeding, impairing, obstructing and defeating the lawful governmental functions of the IRS of the Treasury Department of the United States in the ascertainment, computation, assessment, and collection of the revenue, to wit: the concealment of the true sources, amounts, and disposition of income received by Ferris Jacob Alexander, Sr.

#### OBJECT OF THE CONSPIRACY

7. The object of the conspiracy was to defraud the United States of America by impeding, impairing, obstructing and defeating the lawful governmental functions of the IRS of the Treasury Department of the United States by concealing the amount and disposition of income, the true ownership, control, management, operation, and sources of funds used to acquire and expand the businesses of Ferris Alexander as set out in paragraph two above. As a result, verification by the IRS of the true income and expenses required to be reported by particular persons, entities, businesses and corporations was hindered, impeded, impaired, obstructed and defeated.



### MEANS AND METHODS

8. The unlawful conspiracy was to be accomplished by the following means and methods:

A. the formation of corporations by and in the names of persons other than Ferris Alexander for the purpose of conducting Ferris Alexander's businesses;

B. the operation of Ferris Alexander's businesses in an unincorporated form under names other than Ferris Alexander;

C. the preparation and filing with the IRS of (1) false income tax returns for Ferris Alexander's employees; (2) false employer's quarterly federal tax returns and employer's annual federal unemployment tax returns in the names of Ferris Alexander's employees; (3) false corporate income tax returns; and (4) false income tax returns for Ferris Alexander and Delores Alexander.

D. the maintenance of inadequate, incomplete, and false books and records for the business entities;

E. the use of false State of Minnesota employer accounts;

F. the preparation and filing of false use and sales tax reports with the State of Minnesota by using the names of employees of Ferris Alexander as owners of the businesses;

G. the preparation and filing of false use and sales tax reports with the State of Minnesota;

H. the negotiation of business income in the form of checks in such a manner as to effectively convert it to cash prior to its disposition;

I. the diversion of business income through the use of cashiers checks and money orders, purchased with undeposited business income and the use of third party checks and cash, to pay personal and business expenses and to acquire assets;

J. the purchase of cashiers checks utilizing false names as the purchaser (remitter) and payee of such checks;

K. the diversion of business income to members of Ferris Alexander's family by depositing the money to their bank accounts;

L. the use of false Social Security account numbers.

### OVERT ACTS

9. In furtherance of the conspiracy the defendants performed the following overt acts.

A. Kenneth LaLonde Enterprises-Robert J. Milavetz 1959-1976

(1) From at least on or about 1959 and continuing up to about 1976, the defendant, Ferris Alexander, conducted his business operations under the nominee name of Kenneth LaLonde Enterprises.

(2) From at least on or about 1959 to about 1976, Ferris Alexander employed Kenneth LaLonde, LeRoy

Wendling, and Benedict Jochim and others as clerks under the nominee name Kenneth LaLonde Enterprises.

(3) From at least on or about 1959 to about 1976, Ferris Alexander used a Kenneth LaLonde Enterprises checking account number 3008-318, opened November 19, 1959, at the First National Bank, St. Anthony Falls Office, to pay ~~his~~ employees and he directed Kenneth LaLonde to sign these payroll checks.

(4) From at least on or about 1969 to about 1976, the wage and tax statements (W-2) of the employees of Ferris Alexander were reported to the IRS under the employer name Kenneth R. LaLonde.

(5) From at least on or about 1970 to 1976, Wanda Magnuson maintained the books and records of Ferris Alexander's businesses under the name LaLonde Enterprises.

(6) From at least on or about 1970 to 1976 the employees of Ferris Alexander were reported to the Minnesota Department of Manpower Services as employees of Kenneth R. LaLonde Enterprises, Kenneth R. LaLonde, owner-employer.

(7) From at least on or about 1970 to 1976, in response to unemployment claims by his employees, Ferris Alexander provided Kenneth LaLonde with an attorney and instructed Kenneth LaLonde to appear at hearings of the Minnesota Department of Manpower Services posing as the owner of LaLonde Enterprises.

(8) On or about 1970, Ferris Alexander hired Robert J. Milavetz (hereinafter Milavetz) as his agent and partner

to purchase business property and to represent his employees working under the name LaLonde Enterprises.

(9) On January 2, 1970, Milavetz prepared and Ferris Alexander and Edwin Magnuson executed Articles of Incorporation for Bell Printing, Inc..

(10) From 1970 to 1974, Ferris Alexander paid Milavetz's fees to represent employees including Kenneth LaLonde, Benedict Jochim and LeRoy Wendling on charges of exhibiting obscene material.

(11) On February 24, 1970, Milavetz signed a purchase agreement for the American Theatre Building and adjacent Space Cleaners Store and paid \$1,500.00 of Ferris Alexander's money down.

(12) On April 1, 1970, Milavetz signed a purchase agreement for the Empress Theatre, and paid \$10,000.00 of Ferris Alexander's money down on the property.

(13) On April 9, 1970, Milavetz acting as the incorporator and the director formed the following corporations and on April 10, 1970 filed the Articles of Incorporation for them with the Secretary of State of Minnesota: (1) East Lake Cinema Corporation; (2) East Lake Properties, Inc.; (3) Empress Theatre, Inc.; (4) West Broadway Properties, Inc.

(14) On April 17, 1970, Milavetz executed a contract for deed in the name of East Lake Properties, Inc. for the purchase of the American Theatre property at 14-18 East Lake Street.

(15) On July 31, 1970, Milavetz' associate prepared Articles of Incorporation which were signed by Edwin



Magnuson, for the Franklin Theatre Corporation which then purchased the Franklin Theatre for Ferris Alexander.

(16) On or about January 12, 1971, Milavetz, acting with Edward Jacob Alexander on Ferris Alexander's behalf, purchased the stock of Grove Press, Inc. which owned the Rialto Theatre.

(17) On May 19, 1971, Milavetz drafted and witnessed the execution of a warranty deed transferring title of the Franklin Theatre from the Franklin Theatre Corporation to Ferris Alexander.

(18) On September 10, 1971, Milavetz prepared and had David Bourn execute as owner, an application for a theater license to the City of Minneapolis for the Rialto Theater.

(19) On or about October 14, 1971, Milavetz, on behalf of Ferris Alexander, prepared and had David Bourn execute, a supplemental application for a theater license for the Rialto Theater falsely representing that if he were granted the license he would purchase the theater business and lease its premises and fixtures.

(20) On or about January 26, 1972, Ferris Alexander hired Milavetz to sue the City of Minneapolis in the name of David Bourn.

(21) On or about September 7, 1972, Ferris Alexander hired Milavetz to file a lawsuit against the IRS seeking to prevent the IRS from collecting income taxes from Kenneth LaLonde due from the operation of Ferris Alexander's businesses conducted under the name of LaLonde Enterprises.

(22) On or about March 22, 1973, Ferris Alexander hired Milavetz to represent Benedict Jochim concerning his arrest for selling tickets to Deep Throat.

(23) On or about March 25, 1973, Milavetz prepared for execution by Benedict Jochim applications for licenses for the Franklin Theater, the Empress Theater and the Rialto Theatre and Benedict Jochim executed the applications.

(24) On or about April 6, 1973, Milavetz prepared and Jochim executed, an application for a license for the American Theater and then they executed a letter setting out the legal name of the owner of the real property for the theaters as listed in the Hennepin County Register of Deeds but not revealing unregistered transactions giving Ferris Alexander and his nominees an ownership interest in the property.

(25) Ferris Alexander's accountant, John Lester, prepared Kenneth LaLonde's income tax returns for 1974 through 1977 on which some of Ferris Alexander's income was falsely reported and he prepared LaLonde's 1978 return falsely reporting LaLonde as an employee of LeRoy Wendling.

(26) Wanda Magnuson prepared LaLonde's 1979 and 1980 tax returns and falsely reported that LaLonde was an employee of LeRoy Wendling.

(27) On or about August 20, 1980, a motion for release of bail was filed in Hennepin County District Court on behalf of Kenneth LaLonde Enterprises, attached to which was an affidavit bearing the forged signature of Kenneth LaLonde.

B. FUMYA, Inc. and KIMYBA, Inc. - 1976-1977

(28) On or about September 27, 1976, at the direction of Randall D. B. Tigue, Kenneth LaLonde executed Articles of Incorporation for FUMYA, Inc. whose address was the Rialto Theater, and KIMYBA, Inc. whose address was the Franklin Theater.

(29) On September 29, 1976, LaLonde applied for a license to operate the Empress and Franklin Theaters for KIMYBA, Inc.

(30) On September 29, 1976, Kenneth LaLonde applied for a license to operate the Rialto I & II Theaters for FUMYA, Inc.

(31) On December 17, 1976, Benedict Jochim applied for a license to operate the Adonis Theater for FUMYA, Inc.

(32) From on or about September 1976 to on or about April 1977, Ferris Alexander's employees were paid through FUMYA, Inc. and KIMYBA, Inc., checking accounts 3020-032 and 3020-040, with LeRoy Wendling as the authorized signer for said accounts.

C. LeRoy Wendling - 1972-1981

(33) On or about April 1972, LeRoy Wendling at the direction of Ferris Alexander moved from Minneapolis, Minnesota to Duluth, Minnesota to manage the Strand Theater.

(34) On or about 1973, Ferris Alexander instructed Wendling to apply for a license to operate the Strand Theater in Wendling's name.

(35) From on or about 1970 to 1976, Wendling, while employed by Ferris Alexander was paid as an employee of LaLonde Enterprises.

(36) On or about 1976, Randall D. B. Tigue and Ferris Alexander told Wendling that they wanted to use Wendling's name as the nominee owner of Ferris Alexander's businesses and Wendling agreed.

(37) On or about July 1976, Ferris Alexander instructed Wendling to obtain a signature stamp of his name, "LeRoy Wendling", which was done and this signature stamp was provided to Ferris Alexander and thereafter it was used to sign checks and other business documents related to Ferris Alexander's businesses.

(38) On or about April 1977, a checking account 602-3218-727 was opened in the name of LeRoy Wendling at the First National Bank of Minneapolis by Ferris Alexander.

(39) During the years 1977, 1978, and 1979, the expenses of Ferris Alexander's businesses were paid using checks signed with the signature stamp of LeRoy Wendling, drawn on the account number 602-3218-727.

(40) On or about May 22, 1977, a Report to Determine Liability for Unemployment Insurance was prepared in Wendling's name and signed with his signature stamp which falsely represented that Wendling was 100% owner of the following businesses:

Theatres: No. workers - 26

Adonis Theatre	904 Hennepin Ave.	Minneapolis
American Theatre	904 Hennepin Ave.	Minneapolis
Capitol Theatre	1077 Payne Ave.	St. Paul
Empress Theatre	412 W. Broadway	Minneapolis
Franklin Theatre	1021 E. Franklin	Minneapolis
Rialto Theatres	1&2 735 E. Lake St.	Minneapolis
Strand Theatre	16 E. Superior St.	Duluth

Bookstores: No. workers - 30

624 Hennepin Ave.	Minneapolis
741 East Lake St.	Minneapolis
343 East Lake St.	Minneapolis
401 1/2 East Hennepin	Minneapolis
429 Hennepin Ave.	Minneapolis
117 East Superior St.	Duluth
123 East Superior St.	Duluth
328 South Broadway	Rochester
463 Wabasha St.	St. Paul
471 Wabasha St.	St. Paul
621 University Ave.	St. Paul
550 Rice Street	St. Paul

It was further falsely represented that LeRoy Wendling acquired the entire business of the predecessors KIMYBA and FUMYA Corporations and LaLonde Enterprises.

(41) On or about June 6, 1977, an application for a City of Duluth sales and use tax permit was filed for the Bookstore, 117 East Superior Street, Duluth, Minnesota 55802, signed with Wendling's signature stamp.

(42) On or about August 10, 1979, a form signed with Wendling's signature stamp was filed with the Minnesota Department of Employment Security which falsely represented that Wendling had acquired Joey's Books, 315 Broadway Avenue, Rochester, Minnesota.

(43) On or about September 26, 1979, a form was filed with the Minnesota Department of Employment Security falsely representing that on January 1, 1979 Wendling as owner had acquired Express Entertainment d/b/a the Gopher Theatre.

(44) On or about November 26, 1979, an application for a City of Duluth sales and use tax permit was filed for the Strand Theatre in Wendling's name and was signed with his signature stamp.

(45) On or about February 11, 1978, Wendling had H&R Block prepare his 1977 income tax return reporting wages of \$15,600 paid by Wendling and KIMYBA, which return was filed with the IRS.

(46) On or about February 1978, Ferris Alexander and Tigie instructed Wendling that Wendling's tax returns would be handled by Wanda Magnuson and Ferris Alexander and Wendling took his H&R Block tax records to Ferris Alexander's office.

(47) On or about April 14, 1978, Ferris Alexander's accountant, John Lester, prepared an amended 1977 tax return in Wendling's name, which falsely included



income of Ferris Alexander for May 1, 1977 to December 31, 1977, and was signed with Wendling's signature stamp.

(48) On or about May 5, 1978, Ferris Alexander's accountant, John Lester, prepared corporate income tax returns for FUMYA and KIMYBA which falsely included income belonging to Ferris Alexander and which were signed with Wendling's signature stamp.

(49) From about 1978 to on or about October, 1980, the sales and use tax reports to the State of Minnesota for Ferris Alexander's businesses were submitted using Wendling's name.

(50) From on or about October, 1980, to on or about March, 1981, the Minnesota Consolidated Sales and Use Tax Returns for Ferris Alexander's businesses was reported under the alias name John Thomas.

(51) From about 1977 to about 1980, the Employer Quarterly Federal Tax Returns (Forms 941) and the Employer Annual Federal Unemployment Tax Returns (Forms 940) for Ferris Alexander's businesses were filed using the name LeRoy Wendling.

(52) On April 11, 1979, Wendling's federal income tax return for 1978 was prepared by John Lester and it falsely included income of Ferris Alexander and was signed with Wendling's signature stamp.

(53) On April 15, 1980, Wendling's federal income tax return for 1979 was prepared by Wanda Magnuson and it falsely included income of Ferris Alexander and was signed with Wendling's signature stamp.

(54) On or about October 1, 1980, LeRoy Wendling was terminated from employment by Ferris Alexander.

(55) On October 17, 1980, the alias name of John Thomas was added to the checking account in Wendling's name at the First National Bank of Minneapolis.

(56) On or about October 24, 1980, Ferris Alexander, using the alias John Thomas on behalf of the J. Thomas Company, represented to the Minnesota Department of Employment Services that LeRoy Wendling was only a manager of businesses run in his name and received only his weekly salary as compensation and that LeRoy Wendling had no ownership interest in the businesses and further represented that LeRoy Wendling had no ownership interest in the J. Thomas Company that took over the business on October 1, 1980.

(57) On November 2, 1981, in United States District Court, Ferris Alexander, while being examined under oath by Tigue, falsely testified that he had acquired the interests of LaLonde and Wendling in the bookstores at 429 and 624 Hennepin Avenue, in 1978 and 1979.

D. American Theatre Supply, Inc. - Express Entertainment Corporation 1975-1988

(58) On September 9, 1975, Articles of Incorporation were filed for American Theatre Supply, Inc., with Ferris Alexander, Jr. as the incorporator and director, and corporate offices located at the Flick Theater

(59) On December 16, 1975, stock was issued in American Theatre Supply, Inc. to Ferris Alexander (24,000) and his son Ferris Alexander, Jr. (1,000).

(60) On June 10, 1977, American Theatre Supply, Inc. purchased the Aster and Gopher Theatres for \$950,000.

(61) On June 17, 1977, Express Entertainment Corporation was formed with Rebecca Pencook as director and incorporator and she resigned on or about the same day.

(62) On August 11, 1977, Ferris Alexander executed, on behalf of American Theatre Supply, Inc., a quit claim deed for the Aster and Gopher Theatres to Express Entertainment Corporation.

(63) On or about June 9, 1979, the City of Minneapolis condemned property, including the Aster and Gopher Theatres, and paid a partial payment of \$1,075,875 for said property in 1979 and 1980, which payments represented income to Express Entertainment Corporation and Ferris Alexander and which income he failed to report to the IRS.

(64) On February 16, 1982, the City of Minneapolis made a final payment of \$386,325 for the Aster and Gopher Theatres, which payment was income to Express Entertainment Corporation and Ferris Alexander and which income he failed to report to the IRS.

(65) From May 6, 1981 to 1988, Ferris Alexander's businesses were reported on the Minnesota Sales and Use Tax reports under the name Express Entertainment, c/o Ferris Alexander.

#### E. Bell Films - 1983-1984

(66) During 1983 and 1984, at the direction of Ferris Alexander, Lee Oberg sold video tapes under the name of

Bell Films and the receipts from these sales were delivered to Ferris Alexander and Lee Oberg was paid in cash for his services by Ferris Alexander, who negotiated these receipts and on May 13, 1983 used the name John Thomas as an endorser.

#### F. The Odd Fellows Building-Ymparinen, Inc., - 1984-1989

(67) On October 23, 1984, Ferris Alexander transferred the Odd Fellows property from himself to Dolores Alexander.

(68) On October 24, 1984, Ferris Alexander purchased a \$50,000 cashier's check with a false remitter of Title Investment Co., Chicago, Illinois, and payable to the Odd Fellows Grand Lodge and Dolores Alexander.

(69) On October 27, 1984, Ferris Alexander used this \$50,000 check to purchase the Odd Fellows property.

(70) On or about December 27, 1984, In Seok Na, at Ferris Alexander and Tigues's direction, executed Articles of Incorporation for the following corporations, all with offices at the Odd Fellows Property:

Haista Paska, Inc.  
Ymparinen Inc.  
Kumantot, Inc.  
Yot Mo, Inc.  
Utot, Inc.  
Kilikili, Inc.  
Hammaslaakarinmatkastanne, Inc.  
Karjalanpiirakka, Inc.  
Lipeakala, Inc.  
Bulbul, Inc.

(71) On or about January 6, 1985, In Seok Na resigned as director of all the corporations listed in the preceding paragraph and Dolores Alexander became their director.

(72) On January 10, 1985, The Articles of Incorporation for these ten corporations were filed with the Secretary of State of Minnesota with In Seok Na as their director.

(73) On January 10, 1985, ten corporate books and corporate seals were purchased from the St. Paul Stamp Works for these ten corporations and were paid for by A. B. Distributors in cash.

(74) On May 1, 1985, the deed from Ferris Alexander to Dolores Alexander and the deed from the Odd Fellows Lodge to Ferris Alexander, for the Odd Fellows property, were filed with the Hennepin County Recorder's Office.

(75) On May 3, 1985, Dolores Alexander transferred title of the Odd Fellows property to Ymparinen, Inc.

(76) On or about September 27, 1987, Ferris Alexander and Dolores Alexander through Tigie filed an amended complaint in Hennepin County District Court stating that Ferris Alexander paid the \$50,000 for the Odd Fellows property and stating that he subsequently deeded the building to Dolores Alexander, but not revealing the further transfer from Dolores Alexander to Ymparinen, Inc.

(77) On March 16, 1989, in United States District Court while testifying under oath and while being examined by Tigie, Ferris Alexander testified that his spouse, Dolores Alexander, owned the Odd Fellows property.

G. Video Hits-Haista Paska, Inc. - 1985-1989

(78) On or about May 29, 1985, the defendant Ferris Alexander purchased cashier's check number 112068 in the amount of \$19,500 with a payee of Video Hits and a remitter of Baker Investments and he used that cashier's check to purchase a video store business called Video Hits, located in Crystal, Minnesota.

(79) On or about June 19, 1985, Dolores Alexander applied to the Minnesota Department of Revenue for a Minnesota Tax Identification Number for Haista Paska, Inc. doing business as Video Hits.

(80) On or about June 19, 1985, Dolores Alexander opened a corporate business checking account at the First Bank Minneapolis, St. Anthony Falls Office, in the name of Haista Paska, Inc.

(81) On July 8, 1985, the IRS assigned Federal Employer Identification number 41-1523124 in response to an application to:

HAISTA PASKA, INC.

VIDEO HITS

5309 36th Avenue North, Crystal, Minnesota

4608 Ellerdale Road

Minnetonka, Minnesota 55345

(82) On September 25, 1986, Ferris Alexander negotiated cashier's check number 117467, dated September 2,



1986, in the amount of \$60,038.39 with a remitter of Bell Investments and a payee of Haistpka, Corp.

(83) On September 25, 1986, Ferris Alexander purchased cashier's checks, numbers 117926 and 117927 in the amount of \$32,000 and \$23,000 and check number 117927 had a remitter of Haistpka Corp. and a payee of Dolores Alexander.

(84) On September 26, 1986, Ferris Alexander, through Dolores Alexander as a nominee, purchased the property located at 216 East Third Street, Winona, Minnesota for \$50,000 using cashier's check 117927 as part payment and began to operate a Video Hits store at that location with merchandise supplied by A B Distributors.

(85) From 1985 to March 1988, the expenses of the Video Hits stores were paid with checks drawn on the Haista Paska, Inc. checking account.

(86) From 1985 through 1987, the Employer's Quarterly Federal Tax Returns for Video Hits employees were filed with the IRS under the name Haista Paska, Inc., Video Hits, using Federal Employer Identification No. 41-1523124.

(87) From 1985 to 1987, Wanda Magnuson maintained the books and records for Haista Paska, Inc., doing business as Video Hits.

(88) On or about December 11, 1987, Dolores Alexander filed with the IRS income tax returns for 1985 and 1986 and on April 15, 1988 she filed an income tax return for 1987 on each of which she reported Haista Paska, Inc. corporate income tax losses as non-corporate losses to offset other taxable income.

(89) On or about May 27, 1986, Ferris Alexander signed a purchase agreement for 13 and 15 East Superior Street, Duluth, Minnesota.

(90) On or about June 12, 1986, Tigie changed the name on the purchase agreement from Ferris Alexander to Dolores Alexander and mailed A B Distributors check 30165, for \$1,000.00 as down payment to the seller along with the purchase agreement signed by Dolores Alexander.

(91) On or about June 27, 1986, Dolores Alexander signed a contract for deed for 13 and 15 East Superior Street which was notarized by Wanda Magnuson.

(92) On or about July 17, 1986, First Bank cashier's check number 116967 for \$9,000.00 was purchased and was used to pay part of the purchase price for 13 and 15 East Superior Street.

(93) On or about October 8, 1986 to April 27, 1987, Haista Paska, Inc. account checks were used to pay the balance of the purchase price of the property located at 13 and 15 East Superior Street.

#### H. Northern Hotel-Yot Mo, Inc. - 1987-1988

(94) On March 30, 1987, Dolores Alexander as President of Yot Mo, Inc. signed a contract for deed prepared by Tigie for the purchase of the Northern Hotel by Yot Mo, Inc. from St. Germain Brothers, Inc. for \$20,000, with \$500 earnest money and \$8,000 due at closing and \$1500 per month payable on the balance.

(95) On April 6, 1987, the \$8,000 was paid to St. Germain Company, by Haista Paska, Inc. doing business as Video Hits, check number 2147, and the \$1,500.00 monthly contract payments from May, 1987 to December, 1987, from Yot Mo, Inc. to St. Germain Company were paid by Haista Paska, Inc., and were recorded in the Video Hits cash disbursement journal kept by Wanda Magnuson.

(96) During 1985, 1986, 1987 and 1988 Ferris Alexander made deposits to the Haista Paska, Inc., d/b/a/ Video Hits bank account, which deposits were in excess of the reported gross sales of Video Hits by \$257,845.87.

#### I. Business Receipts-Bank Transactions

(97) From 1970 to the present, A. B. Distributors served as the warehouse, main office location and supply house for the numerous business entities operated directly and indirectly by Ferris Alexander, and was located principally at 20 North 4th Street and 315 East Lake Street, Minneapolis, Minnesota.

(98) From 1970 to the present Ferris Alexander, Edward Alexander, Jeffrey Alexander, Benedict Jochim, and other key employees, picked up the receipts from Ferris Alexander's business entities and took those receipts to the main office.

(99) From 1970 to the present, Ferris Alexander, Edward Alexander and Jeffrey Alexander counted the receipts from these business entities.

(100) From on or about 1980 to on or about 1989, the defendant Ferris Alexander maintained and used bank accounts at various banks as follows:

<u>Bank</u>	<u>Account Name</u>	<u>Account Number</u>
First Bank - St. Anthony Falls	Ferris or Edward Alexander, American Book Wholesalers	706-2051-334
First Bank - St. Anthony Falls	A.B. Distributors	206-3023-374
First Bank - St. Anthony Falls	Marlin Gas & Oil Co.	206-3023-283
First Bank - St. Anthony Falls	United States Video	206-3023-622
First Bank - St. Anthony Falls	Marlin Superette	206-3025-080
First Bank - St. Anthony Falls	LeRoy Wendling/ American Theatre	602-3218-727
First Western State Bank	U.S. Video	000-42-093
First Western State Bank	A.B. Video	44-057
Marquette Bank - Lake Street	United States Video Distributors	102-7-176
Marquette Bank & Trust, Rochester	U.S. Video	2488-925
Marquette Bank & Trust, Rochester	Broadway Book Store	2389-625

Norwest Bank Duluth	Wabasha Book Store	0116-863
Norwest Bank Duluth	American Theater Supply a/k/a Gardner Hotel	116-848
First Bank Duluth	Ferris J. Alexander	1095-930
First Bank Duluth	U.S. Video	1096-635
Merchants Nat'l Bank of Winona	Ferris Alexander	25-873
First Bank Hopkins	Ferris J. Alexander	2318-022
Northwestern National Bank	Ferris J. Alexander	40-03-831
Northwestern National Bank	Ferris J. Alexander	6813-715
First State Bank of Saint Paul	United States Video, Inc. % A.B. Distributors	15-05-510
Metro Bank	Ferris J. Alexander	393-538
Norwest Bank - Nicollet/Lake	Ferris J. Alexander	2454-217
Merchants National Bank of Winona	Video Hits	7-173
First Bank - St. Anthony Falls	Haista Paska Inc. Video Hits	206-3027-052
First Bank - St. Anthony Falls	Dolores Alexander	706-2040-345

First Bank - St. Anthony Falls	Carolyn J. Alexander	706-2092-551
First Bank - St. Anthony Falls	Gus Alexander	706-2182-931
First Bank - St. Anthony Falls	Susan Alexander	706-2167-841
Union Bank & Trust Company	Ferris J. Alexander	207263400
Union Bank & Trust Company	Newspaper Club	101084400
Union Bank & Trust Company	Dolores Alexander	207246400
Union Bank & Trust Company	Video Hits	101085400
First Bank - St. Anthony Falls	Robin Alexander	706-2092-346
First Bank - St. Anthony Falls	Robin & Susan Alexander	706-2166-736

(101) Ferris Alexander performed banking transactions in the accounts listed in the previous paragraph with the receipts from his business entities and in doing so he commingled the funds from his various business entities and he deposited business receipts into his own personal account, the account of Dolores Alexander and the accounts of his children.

(102) From and during 1982 through 1984, Ferris Alexander purchased about \$6.3 million dollars of cashier checks and on some he used names other than his own, as remitter and payee including, James and Jim Peterson, Bob Olson, Bob Carlson, John Thomas, Jim Nelson, Paul



Saba, Pete Saba, Johnson Import, Bell Investment Company, Disabled Veterans #40, Title Investment Co.-Chicago, Ill., and Pat Kaner.

(103) During 1985 and 1986, Ferris Alexander purchased cashier's checks and used false remitters and payees in the names Bell Investment Company and Baker Investment Company.

(104) From and during 1982 through 1986, Ferris Alexander purchased about \$325,000.00 of money orders with undeposited business receipts and he and Wanda Magnuson used these money orders to pay personal and business expenses.

(105) On or about December 19, 1983, Ferris Alexander received a check in the amount of \$411,021.18 from the City of St. Paul as part payment for the sale of real estate and he negotiated said check at the Norwest Bank, St. Anthony Branch and he used some of that money to purchase cashier check 80497 with a remitter of Bell Investments and a payee of Anderson Cadillac, in the amount of \$25,000, which check was used to purchase a Cadillac.

(106) On November 3, 1988, Ferris Alexander opened two checking accounts at the Union Bank and Trust Company, one account for the "Newspaper Club", 315 East Lake Street and using the Federal Tax Number of A B Distributors and one account for Video Hits, 315 East Lake Street, using the Federal Tax Number of Haista Paska, Inc.

#### J. Income Tax Returns - 1981-1987

(107) Horace May prepared Ferris Alexander's 1982 and 1983 income tax returns based on information provided to him by Ferris Alexander and Wanda Magnuson.

(108) On June 6, 1983 and October 22, 1984, Ferris Alexander and Wanda Magnuson filed and caused to be filed income tax returns for Ferris Alexander for 1982 and 1983 which they knew did not accurately report the true sources and amounts of his income.

(109) On June 22, 1987, Ferris Alexander and Wanda Magnuson filed and caused to be filed an amended individual income tax return for Ferris Alexander for the tax year 1981, knowing it carried back losses from the false tax returns filed for 1982 and 1983.

(110) On or about February 25, 1985, Ferris Alexander and Wanda Magnuson prepared and filed a false Minnesota Consolidated Sales and Use Tax Return for January 1985.

(111) On or about April 15, 1986, April 15, 1987, August, 1987, and April 15, 1988, Ferris Alexander filed extensions of time to file income tax returns for tax years 1985, 1986, and 1987, which returns were never filed.

#### K. Paine Webber - 1971-1987

(112) From on or about 1965, to about 1988, Ferris Alexander maintained a brokerage account at Paine Webber, account number L045458 and used Social Security Account Number (SSAN) 348-12-0381, which was not his correct SSAN.

(113) On or about May 21, 1985, Ferris Alexander certified on a W-9 Form that his SSAN was 348-12-0381.

(114) On or about May 24, 1985, Ferris Alexander opened a new account number L010746 at Paine Webber using SSAN 348-12-0381.

L. Escrow and Trust Accounts - 1982-1983

(115) Tigie maintained an account number 317511-0 at the First Bank Minneapolis, entitled, Randall Tigie Escrow Account and on December 6, 1982 cashier's check number 102111 dated November 24, 1982 in the amount of \$10,000 with a payee of Ferris Alexander and remitter of Ferris Alexander and endorsed by Ferris Alexander was deposited into that account and no record of said payment was made by Randall D. B. Tigie in his escrow account records.

(116) On March 14, 1983 Tigie issued check number 1272 to Northern Construction Company and Clyde Olson in the amount of \$6200 from his trust account number 0260344, at First Bank Minneapolis, which check on March 15, 1983 was negotiated by Ferris Alexander. All in violation of Title 18, United States Code, Section 371.

COUNT II

On or about the 6th day of June, 1983, in the State and District of Minnesota, the defendant,

FERRIS JACOB ALEXANDER, SR.,

did willfully and knowingly make and subscribe, and cause to be made and subscribed, a document verified by

a written declaration that it was made under penalties of perjury, to-wit: a United States Individual Income Tax Return, Form 1040, for the calendar year 1982, which was filed with the Internal Revenue Service in the name of Ferris J. Alexander, 4608 Ellerdale Road, Minnetonka, Minnesota, and which said return he did not believe to be true and correct as to every material matter, in that the gross receipts reported on the Schedule C thereof were in the amount of \$3,647,824.00 whereas, the defendant then and there well knew and believed the total gross receipts were substantially in excess of that stated amount, that is about \$4,995,664.88; all in violation of Title 26, United States Code, Section 7206(1).

COUNT III

On or about the 22nd day of October, 1984 in the State and District of Minnesota, the defendant,

FERRIS JACOB ALEXANDER, SR.,

did willfully and knowingly make and subscribe, and cause to be made and subscribed, a document verified by a written declaration that it was made under penalties of perjury, to-wit: a United States Individual Income Tax Return, Form 1040, for the calendar year 1983, which was filed with the Internal Revenue Service in the name of Ferris J. Alexander, 4608 Ellerdale Road, Minnetonka, Minnesota, and which said return he did not believe to be true and correct as to every material matter, in that the gross receipts reported on the Schedule C thereof were in the amount of \$4,038,290.00, whereas, the defendant then and there well knew and believed the total gross receipts were substantially in excess of that stated amount, that is

about \$5,499,281.70; all in violation of Title 26, United States Code, Section 7206(1).

#### COUNT IV

At all time material to this Indictment:

#### THE ENTERPRISE

1. The defendants,

FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

together with each other and doing business as corporations, individuals, companies, partnerships, affiliates, joint venturers, associates, nominees, (hereinafter called business entities),

A. Those business entities being as follows:

A B Distributors  
American Book Wholesalers  
A B Video  
Kenneth LaLonde Enterprises  
East Lake Properties, Inc.  
East Lake Cinema Corporation  
West Broadway Properties, Inc.  
Empress Theatre, Inc.  
American Book Store  
American Theatre  
Empress Theatre, Minneapolis, MN  
Franklin Theatre Corporation  
Lake Street Properties, Inc.  
Rialto Theatre, Minneapolis, MN  
Rialto Theatre I & II, Minneapolis, MN

Strand Theatre, Duluth, MN  
Capitol Theatre, St. Paul, MN  
The Flick, Minneapolis, MN  
The Flick, St. Paul, MN  
Wabasha Book Store, St. Paul, MN  
KIMYBA, Inc.  
FUMYA, Inc.  
LeRoy Wendling  
A-Z Bookstore, Duluth, MN  
Gopher Theatre, Minneapolis, MN  
Aster Theatre, Minneapolis, MN  
Express Entertainment Corporation  
Express Entertainment  
Bell Printing, Inc.  
U.S. Video  
The Lake Street Bookstore, Minneapolis, MN  
The Adult Entertainment Center, Minneapolis, MN  
Chicago-Lake Bookstore, Minneapolis, MN  
American/Empress Theatre & Bookstore, Minneapolis, MN  
Nicola's Bookstore, Minneapolis, MN  
East Hennepin Video Book & Theatre, Minneapolis, MN  
Broadway Book No. 1, Rochester, MN  
Broadway Book No. 2, Rochester, MN  
Joey's Adult Book, Rochester, MN  
Wabasha Adult Bookstore, Duluth, MN  
Ultimate Book Store, Winona, MN  
Video Hits, Winona, MN  
Video Hits, Crystal, MN  
American Theatre Supply Co., Inc.  
Yot Mo, Inc.  
Haista Paska, Inc., a/k/a Haista Pasta, Inc., Haistpka Corp.  
Ymparinen, Inc.  
Lipeakala, Inc.



Kumantot, Inc.  
 Utot, Inc.  
 Bulbul, Inc.  
 Kilikili, Inc.  
 Karjalanpiirakka, Inc.  
 Hammaslaakarinmatkastanne, Inc. Gardner  
 Hotel, Duluth, MN  
 Northern Hotel, Duluth, MN  
 Newspaper Club  
 Superior Street Company  
 Marlin Gas and Oil  
 Marlin Superette  
 Bell Films  
 John Thomas  
 J. Thomas Company a/k/a John Thomas Co.  
 Baker Investments  
 Bell Investments  
 Saippukauppias, Inc.  
 United States Video Distributors

and others known and unknown to the Grand Jury, being persons employed by and associated with the above individuals, corporations and business entities, constituted an enterprise as defined by Title 18, United States Code, Section 1961(4) that is, a group of individuals and corporations associated in fact although not a legal entity, the activities of which affected interstate commerce, and which engaged in and whose leaders, members and associates operated and engaged in various unlawful activities in the State and District of Minnesota and elsewhere, including the transportation in interstate commerce for the purpose of the sale and distribution of obscene, lewd, lascivious and filthy books, pamphlets, pictures, films, papers, letters, writing, prints, silhouettes, drawings, figures, images, casts, and other articles capable of

producing sound, and other matters of indecent and immoral character, which are in violation of Title 18, United States Code, Section 1465, as listed and charged in this indictment as predicate offenses.

#### PURPOSE OF THE ENTERPRISE

##### 2. The purposes of the enterprise included:

A. the interstate transportation for the purpose of sale and distribution of obscene video tape movies and magazines, as listed and charged in this indictment as predicate offenses, the object of which was to obtain money for the members of the enterprise;

B. the concealment of the true identities of the owners and operators of the enterprise;

C. the distribution of the income, proceeds and property of the enterprise, directly and indirectly, so as to hide the source and to benefit the defendants in the form of cash, cashier checks, money orders, salaries, dividends, interest payments and the payment of personal living expenses;

D. the acquisition of real estate in nominee names to hide the true ownership and to conceal the disposition of the proceeds of the enterprise;

E. the acquisition of real estate for the purpose of distributing obscene, lewd, lascivious and filthy books, pamphlets, pictures, films, papers, letters, writing, prints, electrical transcriptions, images, and other articles capable of producing sound and other matters of indecent and immoral character.

### MEANS AND METHODS OF THE ENTERPRISE

3. Among the means and methods by which the defendants and others known and unknown to the Grand Jury, conducted and participated in the conduct of affairs of the enterprise, were the allegations of paragraph 8(A) through (L) of Count I of this indictment which are realleged as if set forth fully herein and the following:

A. Ferris Alexander was the owner and operator directly and indirectly through nominees of all of the business entities and as such it was his responsibility to:

(1) direct the day to day operation of the enterprise and to make and participate in all the major decisions concerning the enterprise;

(2) facilitate, select, order and pay for the interstate transportation for distribution of obscene video tape cassettes, obscene magazines, and other matter of an indecent and immoral character;

(3) recruit and cause to be recruited individuals to falsely identify themselves as the owners, proprietors and operators of the business entities as part of a scheme and artifice to hide the true identities of the actual owners, in an attempt to insulate himself from criminal liability for obscenity and income tax and sales and use tax reporting;

(4) recruit and cause to be recruited individuals to falsely identify themselves as the incorporator and director of the following corporations:

Fumya, Inc.;  
Kimyba, Inc.;  
Yot Mo, Inc.;  
Haista Paska, Inc.;

Ymparinen, Inc.;  
Lipeakala, Inc.;  
Kumantot, Inc.;  
Utot, Inc.;  
Bulbul, Inc.;  
Kilikili, Inc.;  
Karjalanpiirakka, Inc.;  
Hammasmaakarinmatkastanne, Inc.;  
Saippukauppias, Inc.

(5) collect, count, and supervise the collection and counting of the receipts of the enterprise;

(6) determine, order and execute the financial transactions of the enterprise, including bank transactions, so as to impede and impair the ascertainment and collection of federal income tax;

(7) hire and fire employees of the enterprise and determine the payment of wages and salaries;

(8) provide for legal representation of employees charged with offenses stemming from and arising out of their employment in the enterprise and as to their liability for income taxes;

(9) purchase and sell, and negotiate the purchase, sale and condemnation of real property owned by and in the name of the individuals, corporations and other entities which comprised the enterprise and which property was used to conduct the activity and business of the enterprise and which property constituted, and was derived from proceeds obtained directly and indirectly from the activity of the enterprise;

(10) enter into contracts, leases, loan agreements and other transactions for and on behalf of the defendants and entities comprising the enterprise.

B. Wanda Magnuson was the bookkeeper for the enterprise and it was her responsibility to:

(1) participate with Ferris Alexander in the direction of the day-to-day operations of the enterprise;

(2) keep the books and records of the enterprise;

(3) prepare and notarize documents used to operate the enterprise;

(4) provide information to tax return preparers on behalf of Ferris Alexander, Dolores Alexander and the various business entities;

(5) prepare and file federal and state income, employment and sales and use tax reports for the enterprise.

C. Jeffrey Alexander, the son of Ferris Alexander, was the Vice President of A B Distributors and a manager and supervisor of the enterprise. It was his responsibility to:

(1) provide assistance to Ferris Alexander with respect to the activities set forth in paragraph 3(A) of Count IV which are realleged as if set forth fully herein;

(2) direct and participate in the day to day operation of the enterprise and to participate in the execution of decisions concerning its operation;

(3) give orders and directions to employees and associates of the enterprise;

(4) collect, count and deposit the receipts of the enterprise.

D. Dolores Alexander was a manager and supervisor of the enterprise. It was her responsibility to:

(1) act as the nominee director, owner, operator and proprietor of the following business entities:

Ymparinen, Inc.  
Haista Paska, Inc.  
Yot Mo, Inc.  
Video Hits, (Corp.)  
Video Hits  
Northern Hotel  
Lipeakala, Inc.  
Kumantot, Inc.  
Utot, Inc.  
Bulbul, Inc.  
Kilikili, Inc.  
Karjalanpiirakka, Inc.  
Hammaslaakarinmatkastanne, Inc.

(2) to participate in the operation of the enterprise by the execution of decisions concerning its operation;

(3) to give orders and directions to employees and associates of the enterprise;

(4) to execute documents for the purpose of conducting the enterprise.

#### THE OFFENSE

4. From at least on or about 1969 and continuing thereafter, up to and including the date of this indictment, in the State and District of Minnesota and elsewhere, the defendants,



FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

and others known and unknown to the Grand Jury, being persons employed by and associated with the above-described criminal enterprise, did unlawfully, willfully and knowingly combine, conspire, confederate and agree with each other to commit an offense against the United States in violation of Title 18, United States Code, Section 1962(c), that is, to conduct and participate, directly and indirectly, in the conduct of the affairs of the criminal enterprise through a pattern of racketeering activity, as defined in Title 18, United States Code, Sections 1961(1) (B) and 1961(5), as set forth below.

#### THE PATTERN OF RACKETEERING ACTIVITY

5. The pattern of racketeering activity committed by the defendants consisted of multiple acts of interstate transportation of obscene material indictable under Title 18, United States Code, Section 1465, and consisted of the following acts:

##### Racketeering Act 1

The grand jury realleges Count VII of this indictment, relating to the video tape movie "Ass Master, Volume I", the commission of said count constitutes the commission of Racketeering Act 1.

##### Racketeering Act 2

The grand jury realleges Counts VIII and IX of this indictment, relating to the video tape movie "Bi and Beyond", the commission of either of said counts alone constitutes the commission of Racketeering Act 2.

##### Racketeering Act 3

The grand jury realleges Count X of this indictment relating to the video tape movie "Big Bad Bertha", the commission of said count constitutes the commission of Racketeering Act 3.

##### Racketeering Act 4

The grand jury realleges Counts XI, XII, XIII and XIV of this indictment, relating to the video tape movie "Knights in White Satin", the commission of any one of said counts alone constitutes the commission of Racketeering Act 4.

##### Racketeering Act 5

The grand jury realleges Counts XV, XVI, XVII, XVIII and XXI of this indictment, relating to the magazine *The Fat Book*, the commission of any one of said counts alone constitutes the commission of Racketeering Act 5.

##### Racketeering Act 6

The grand jury realleges Counts XX, XXI and XXII of this indictment, relating to the magazine *Leather Sleaze*,



the commission of any one of said counts alone constitutes the commission of Racketeering Act 6.

#### Racketeering Act 7

The grand jury realleges Counts XXIII, XXIV and XXV of this indictment, relating to the magazines *Let's Have A Fuck Party* and *Women Who Need Powerful Men*, the commission of any one of said counts alone constitutes the commission of Racketeering Act 7.

#### Racketeering Act 8

The grand jury realleges Counts XXVI and XXVII of this indictment, relating to the magazine *Sweet Ass*, and further alleges that on or about the dates indicated below the defendants for the purpose of sale and distribution, knowingly transported in interstate commerce to the District of Minnesota said magazine,

<u>Date Transported</u>	<u>Quantity</u>
November 6, 1983	1
November 13, 1983	100
February 16, 1984	1
March 1, 1984	25
May 3, 1984	1
May 21, 1984	50

and the commission of either count alone or any one of the transportations listed alone constitutes the commission of Racketeering Act 8.

#### Racketeering Act 9

The grand jury realleges Count XXVIII of this indictment, relating to the magazine *Taboo II*, the commission of said count constitutes the commission of Racketeering Act 9.

#### Racketeering Act 10

The grand jury realleges Count XXIX of this indictment, relating to the video tape movie "The Lusty Adventurer", the commission of said count constitutes the commission of Racketeering Act 10.

#### Racketeering Act 11

The grand jury realleges Counts XXXII and XXXIII of this indictment, relating to the video tape movie, "She Male Encounters #3", and further alleges that on or about the dates indicated below the defendants, for the purpose of sale and distribution knowingly transported in interstate commerce to the District of Minnesota said video tape movie:

<u>Dated Transported</u>	<u>Quantity</u>
May 20, 1982	15
May 21, 1982	15
January 25, 1984	10
January 31, 1984	2

and the commission of either count alone or any one of the transportations listed alone constitutes the commission of Racketeering act 11.

### OVERT ACTS

6. In furtherance of the conspiracy and to achieve the objects thereof, the defendants and co-conspirators performed overt acts in the District of Minnesota and elsewhere including, but not limited to:

A. On or about March 1969, within the Southern District of New York, the defendant Ferris Alexander did conspire to transport in interstate commerce for the purpose of sale and distribution, obscene matter, to-wit: 10,000 copies of *Adam and Eve* and 10,000 copies of *Kiss It Hard*.

B. The allegations contained in paragraph 9A through L of Count I of this indictment are hereby realleged as if fully set forth herein.

C. On or about the dates indicated below, the defendants sold the listed obscene magazines and video tape movies:

<u>Date Sold</u>	<u>Location</u>	<u>Title</u>	<u>Type</u>
3/25/88	Joey's Bookstore 315 South Broadway Rochester, MN	"Ass Masters"	Video Tape Movie
3/22/88	Wabasha Adult Bookstore, 15 East Superior St. Duluth, MN	"Ass Masters"	Video Tape Movie
2/22/88	The Chicago-Lake Bookstore 741 East Lake Street Rochester, MN	"Bi and Beyond"	Video Tape Movie
3/25/88	Broadway Book II 319 South Broadway Minneapolis, MN	"Big Bad Bertha"	Video Tape Movie
3/10/89	Video Hits 5309 36th Ave. No. Crystal, MN	"Collection, Volume #3"	Video Tape Movie
12/14/88	Nicola Bookstore 2938 Lyndale Minneapolis, MN	<i>The Fat Book</i>	Magazine

<u>Date Sold</u>	<u>Location</u>	<u>Title</u>	<u>Type</u>
12/14/88	East Hennepin Bookstore 401 East Hennepin Ave. Minneapolis, MN	<i>The Fat Book</i>	Magazine
3/25/88 and 12/14/88	Lake Street Bookstores (4th & Lake) 343 East Lake Street Minneapolis, MN	<i>The Fat Book</i>	Magazine
4/25/88	Video Hits 216 East 3rd St. Winona, MN	"Knights in White Satin"	Video Tape Movie
2/28/89	Adult Entertainment Center 420 Hennepin Ave. Minneapolis, MN	<i>Leather Sleaze</i>	Magazine
3/25/88 and 12/14/88	Flick Theater 623 University Ave. W. St. Paul, MN	<i>Leather Sleaze</i>	Magazine

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<u>Date Sold</u>	<u>Location</u>	<u>Title</u>	<u>Type</u>
12/14/88	The Lake Street Bookstore 343 East Lake Street Minneapolis, MN	<i>Leather Sleaze</i>	Magazine
12/14/88	East Hennepin Bookstore 401 East Hennepin Ave. Minneapolis, MN	<i>Leather Sleaze</i>	Magazine
3/10/89	The Chicago-Lake Bookstore 741 East Lake St. Minneapolis, MN	<i>Let's Have a Fuck Party</i>	Magazine
3/10/89	Video Hits 5309 36th Ave. No. Crystal, MN	"The Lusty Adventurer"	Video Tape Movie
12/14/88	Adult Entertainment Center 420 Hennepin Ave. Minneapolis, MN	"She Male Encounters #3"	Video Tape Movie

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<u>Date Sold</u>	<u>Location</u>	<u>Title</u>	<u>Type</u>
3/10/89	The Chicago-Lake Bookstore 741 East Lake St. Minneapolis, MN	<i>Sweet Ass</i>	Magazine
3/24/89	Wabasha Books 15 E. Superior St. Duluth, MN	<i>Sweet Ass</i>	Magazine
3/25/88	Broadway Book I 328 South Broadway Rochester, MN	<i>Taboo II</i>	Magazine
4/25/88	Ultimate Bookstore 227 East Third Winona, MN	<i>Women Who Need Powerful Men</i>	Magazine

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all in violation of Title 18, United States Code, Section 1962(d).

COUNT V

1. The introductory paragraphs 1, 2 and 3 of Count IV and the allegations of paragraphs 9A through L of Count I of this indictment are realleged as if set forth fully herein.

2. From on or about 1969, and continuously thereafter, up to and including the date of this indictment, in the State and District of Minnesota and elsewhere, the defendants,

FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

and others known and unknown to the Grand Jury, being persons employed by and associated with the above-described criminal enterprise, did participate as principals within the meaning of Title 18, United States Code, Section 2, in a pattern of racketeering activity, as defined by Title 18, United States Code, Sections 1961(1)(B) and 1961(5), which consisted of the racketeering acts one through eleven set out in paragraph five of Count IV, which are realleged and incorporated by reference as though fully set forth herein, and the defendants having received income derived directly and indirectly from the aforesaid pattern of racketeering activity, did knowingly and intentionally use and invest, directly and indirectly, the aforesaid income and parts of such income and the proceeds of such income, in the establishment and operation of the enterprise, which enterprise engaged in and the activities of which affected interstate commerce; all in



violation of Title 18, United States Code, Sections 1962(a) and 2.

#### COUNT VI

1. The introductory paragraphs 1, 2 and 3 of Count IV and the allegations of paragraphs 9A through L of Count I of this indictment are realleged as if set forth fully herein.

2. From on or about 1969, and continuing thereafter, up to and including the date of this indictment, in the State and District of Minnesota and elsewhere, the defendants,

FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

and others known and unknown to the Grand Jury, being persons employed by and associated with the above-described criminal enterprise, did unlawfully, willfully, and knowingly conduct and participate, directly and indirectly, in the conduct of the affairs of said enterprise, which engaged in and the activities of which affected interstate commerce, through a pattern of racketeering activity, as defined by Title 18, United States Code, Section 1961(1)(B) and 1961(5), which consisted of the racketeering acts one through eleven set out in paragraph five of count IV, which are realleged and incorporated by reference as if set forth fully herein; all in violation of Title 18, United States Code, Section 1962(c).

#### COUNT VII

On or about November 30, 1987, the defendants,

FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

knowingly transported in interstate commerce to the District of Minnesota for the purpose of sale and distribution, obscene, lewd, lascivious, and filthy films, figures, images, casts, electrical transcriptions and other articles capable of producing sound and other matters of indecent and immoral character, that is, 100 copies of:

"Ass Masters, Volume I," a video tape movie;  
all in violation of Title 18, United States Code, Sections 1465 and 2.

#### COUNT VIII

On or about January 22, 1988, the defendants,

FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

knowingly transported in interstate commerce to the District of Minnesota for the purpose of sale and distribution, obscene, lewd, lascivious, and filthy films, figures, images, casts, electrical transcriptions and other articles capable of producing sound and other matters of indecent and immoral character, that is, 30 copies of:

"Bi and Beyond," a video tape movie;  
all in violation of Title 18, United States Code, Sections  
1465 and 2.

#### COUNT IX

On or about July 25, 1988, the defendants,  
FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

knowingly transported in interstate commerce to the District of Minnesota for the purpose of sale and distribution, obscene, lewd, lascivious, and filthy films, figures, images, casts, electrical transcriptions and other articles capable of producing sound and other matters of indecent and immoral character, that is, 20 copies of:

"Bi and Beyond," a video tape movie;  
all in violation of Title 18, United States Code, Sections  
1465 and 2.

#### COUNT X

On or about November 26, 1985, the defendants,  
FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

knowingly transported in interstate commerce to the District of Minnesota for the purpose of sale and distribution, obscene, lewd, lascivious, and filthy films, figures, images, casts, electrical transcriptions and other articles

capable of producing sound and other matters of indecent and immoral character, that is, 25 copies of:

"Big Bad Bertha," a video tape movie;  
all in violation of Title 18, United States Code, Sections  
1465 and 2.

#### COUNT XI

On or about January 16, 1989, the defendants,  
FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

knowingly transported in interstate commerce to the District of Minnesota for the purpose of sale and distribution, obscene, lewd, lascivious, and filthy films, figures, images, casts, electrical transcriptions and other articles capable of producing sound and other matters of indecent and immoral character, that is, 20 copies of:

"Knights in White Satin," a video tape movie;  
all in violation of Title 18, United States Code, Sections  
1465 and 2.

#### COUNT XII

On or about November 10, 1987, the defendants,  
FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

knowingly transported in interstate commerce to the District of Minnesota for the purpose of sale and distribution,

obscene, lewd, lascivious, and filthy films, figures, images, casts, electrical transcriptions and other articles capable of producing sound and other matters of indecent and immoral character, that is, 25 copies of:

"Knights in White Satin," a video tape movie;  
all in violation of Title 18, United States Code, Sections 1465 and 2.

#### COUNT XIII

On or about April 4, 1988, the defendants,  
FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

knowingly transported in interstate commerce to the District of Minnesota for the purpose of sale and distribution, obscene, lewd, lascivious, and filthy films, figures, images, casts, electrical transcriptions and other articles capable of producing sound and other matters of indecent and immoral character, that is, one copy of:

"Knights in White Satin," a video tape movie;  
all in violation of Title 18, United States Code, Sections 1465 and 2.

#### COUNT XIV

On or about February 28, 1989, the defendants,  
FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

knowingly transported in interstate commerce to the District of Minnesota for the purpose of sale and distribution,

obscene, lewd, lascivious, and filthy films, figures, images, casts, electrical transcriptions and other articles capable of producing sound and other matters of indecent and immoral character, that is, 15 copies of:

"Knights in White Satin," a video tape movie;  
all in violation of Title 18, United States Code, Sections 1465 and 2.

#### COUNT XV

On or about June 1, 1987, the defendants,  
FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

knowingly transported in interstate commerce to the District of Minnesota for the purpose of sale and distribution, obscene, lewd, lascivious, and filthy films, figures, images, casts, electrical transcriptions and other articles capable of producing sound and other matters of indecent and immoral character, that is, 100 copies of:

*The Fat Book*, a magazine;

all in violation of Title 18, United States Code, Sections 1465 and 2.



COUNT XVI

On or about November 16, 1987, the defendants,

FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

knowingly transported in interstate commerce to the District of Minnesota for the purpose of sale and distribution, obscene, lewd, lascivious, and filthy films, figures, images, casts, electrical transcriptions and other articles capable of producing sound and other matters of indecent and immoral character, that is, one copy of:

*The Fat Book*, a magazine;

all in violation of Title 18, United States Code, Sections 1465 and 2.

COUNT XVII

On or about November 24, 1987, the defendants,

FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

knowingly transported in interstate commerce to the District of Minnesota for the purpose of sale and distribution, obscene, lewd, lascivious, and filthy films, figures, images, casts, electrical transcriptions and other articles

capable of producing sound and other matters of indecent and immoral character, that is, 100 copies of:

*The Fat Book*, a magazine;

all in violation of Title 18, United States Code, Sections 1465 and 2.

COUNT XVIII

On or about December 9, 1987, the defendants,

FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

knowingly transported in interstate commerce to the District of Minnesota for the purpose of sale and distribution, obscene, lewd, lascivious, and filthy films, figures, images, casts, electrical transcriptions and other articles capable of producing sound and other matters of indecent and immoral character, that is, 100 copies of:

*The Fat Book*, a magazine;

all in violation of Title 18, United States Code, Sections 1465 and 2.

COUNT XIX

On or about January 4, 1988, the defendants,

FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

knowingly transported in interstate commerce to the District of Minnesota for the purpose of sale and distribution,



obscene, lewd, lascivious, and filthy films, figures, images, casts, electrical transcriptions and other articles capable of producing sound and other matters of indecent and immoral character, that is, one copy of:

*The Fat Book*, a magazine;

all in violation of Title 18, United States Code, Sections 1465 and 2.

#### COUNT XX

On or about September 9, 1987, the defendants,

FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

knowingly transported in interstate commerce to the District of Minnesota for the purpose of sale and distribution, obscene, lewd, lascivious, and filthy films, figures, images, casts, electrical transcriptions and other articles capable of producing sound and other matters of indecent and immoral character, that is, one copy of;

*Leather Sleaze*, a magazine;

all in violation of Title 18, United States Code, Sections 1465 and 2.

#### COUNT XXI

On or about November 1, 1984, the defendants,

FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

knowingly transported in interstate commerce to the District of Minnesota for the purpose of sale and distribution, obscene, lewd, lascivious, and filthy films, figures, images, casts, electrical transcriptions and other articles capable of producing sound and other matters of indecent and immoral character, that is, 100 copies of:

*Leather Sleaze*, a magazine;

all in violation of Title 18, United States Code, Sections 1465 and 2.

#### COUNT XXII

On or about November 8, 1984, the defendants,

FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

knowingly transported in interstate commerce to the District of Minnesota for the purpose of sale and distribution, obscene, lewd, lascivious, and filthy films, figures, images, casts, electrical transcriptions and other articles

capable of producing sound and other matters of indecent and immoral character, that is, one copy of:

*Leather Sleaze*, a magazine;

all in violation of Title 18, United States Code, Sections 1465 and 2.

#### COUNT XXIII

On or about February 25, 1985, the defendants,

FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

knowingly transported in interstate commerce to the District of Minnesota for the purpose of sale and distribution, obscene, lewd, lascivious, and filthy films, figures, images, casts, electrical transcriptions and other articles capable of producing sound and other matters of indecent and immoral character, that is, one copy of:

*Let's Have a Fuck Party*, a magazine;

all in violation of Title 18, United States Code, Sections 1465 and 2.

#### COUNT XXIV

On or about March 9, 1988, the defendants,

FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

knowingly transported in interstate commerce to the District of Minnesota for the purpose of sale and distribution,

obscene, lewd, lascivious, and filthy films, figures, images, casts, electrical transcriptions and other articles capable of producing sound and other matters of indecent and immoral character, that is, one copy each of:

*Let's Have a Fuck Party*, a magazine; and  
*Women Who Need Powerful Men*, a magazine;

all in violation of Title 18, United States Code, Sections 1465 and 2.

#### COUNT XXV

On or about March 22, 1988, the defendants,

FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

knowingly transported in interstate commerce to the District of Minnesota for the purpose of sale and distribution, obscene, lewd, lascivious, and filthy films, figures, images, casts, electrical transcriptions and other articles capable of producing sound and other matters of indecent and immoral character, that is, 100 copies of each:

*Let's Have a Fuck Party*, a magazine and  
*Women Who Need Powerful Men*, a magazine;

all in violation of Title 18, United States Code, Sections 1465 and 2.

COUNT XXVI

On or about August 17, 1988, the defendants,

FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

knowingly transported in interstate commerce to the District of Minnesota for the purpose of sale and distribution, obscene, lewd, lascivious, and filthy films, figures, images, casts, electrical transcriptions and other articles capable of producing sound and other matters of indecent and immoral character, that is, one copy of:

*Sweet Ass*, a magazine;

all in violation of Title 18, United States Code, Sections 1465 and 2.

COUNT XXVII

On or about August 25, 1988, the defendants,

FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

knowingly transported in interstate commerce to the District of Minnesota for the purpose of sale and distribution, obscene, lewd, lascivious, and filthy films, figures, images, casts, electrical transcriptions and other articles

capable of producing sound and other matters of indecent and immoral character, that is, 200 copies of:

*Sweet Ass*, a magazine;

all in violation of Title 18, United States Code, Sections 1465 and 2.

COUNT XXVIII

On or about October 8, 1984, the defendants,

FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

knowingly transported in interstate commerce to the District of Minnesota for the purpose of sale and distribution, obscene, lewd, lascivious, and filthy films, figures, images, casts, electrical transcriptions and other articles capable of producing sound and other matters of indecent and immoral character, that is, 50 copies of:

*Taboo II*, a magazine

all in violation of Title 18, United States Code, Sections 1465 and 2.

COUNT XXIX

On or about June 27, 1985, the defendants,

FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

knowingly transported in interstate commerce to the District of Minnesota for the purpose of sale and distribution,

obscene, lewd, lascivious, and filthy films, figures, images, casts, electrical transcriptions and other articles capable of producing sound and other matters of indecent and immoral character, that is, 40 copies of:

"The Lusty Adventurer," a video tap [sic] movie;

all in violation of Title 18, United States Code, Sections 1465 and 2.

### COUNT XXX

On or about November 13, 1984, the defendants,

FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

knowingly transported in interstate commerce to the District of Minnesota for the purpose of sale and distribution, obscene, lewd, lascivious, and filthy films, figures, images, casts, electrical transcriptions and other articles capable of producing sound and other matters of indecent and immoral character, that is, one copy of:

"She Male Encounters, #3", a video tape movie;

all in violation of Title 18, United States Code, Sections 1465 and 2.

### COUNT XXXI

On or about January 21, 1986, the defendants,

FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

knowingly transported in interstate commerce to the District of Minnesota for the purpose of sale and distribution, obscene, lewd, lascivious, and filthy films, figures, images, casts, electrical transcriptions and other articles capable of producing sound and other matters of indecent and immoral character, that is, 25 copies of:

"She Male Encounters," #3, a video tape movie;

all in violation of Title 18, United States Code, Sections 1465 and 2.

### COUNT XXXII

On or about December 14, 1988, in the State and District of Minnesota, the defendants,

FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

they then being engaged in the business of selling and transferring obscene matter, did knowingly possess with intent to distribute an obscene magazine which had been shipped and transported in interstate commerce, to wit: *The Fat Book*, at Nicola Bookstore, 2938 Lyndale, Minneapolis, Minnesota; all in violation of Title 18, United States Code, Sections 1466 and 2.



COUNT XXXIII

On or about December 14, 1988, in the State and District of Minnesota, the defendants,

FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

they then being engaged in the business of selling and transferring obscene matter, did knowingly possess with intent to distribute obscene magazines which had been shipped and transported in interstate commerce, to wit: *The Fat Book* and *Leather Sleaze*, at East Hennepin Bookstore, 401 East Hennepin Avenue, Minneapolis, Minnesota; all in violation of Title 18, United States Code, Sections 1466 and 2.

COUNT XXXIV

On or about December 14, 1988, in the State and District of Minnesota, the defendants,

FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

they then being engaged in the business of selling and transferring obscene matter, did knowingly possess with intent to distribute an obscene magazine which had been shipped and transported in interstate commerce, to wit: *Leather Sleaze*, at The Flick Theater, 623 University Avenue West, St. Paul, Minnesota; all in violation of Title 18, United States Code, Sections 1466 and 2.

COUNT XXXV

On or about December 14, 1988, in the State and District of Minnesota, the defendants,

FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

they then being engaged in the business of selling and transferring obscene matter, did knowingly possess with intent to distribute obscene magazines which had been shipped and transported in interstate commerce, to wit: *Leather Sleaze* and *The Fat Book*, at the Lake Street Bookstore, 343 East Lake Street, Minneapolis, Minnesota; all in violation of Title 18, United States Code, Sections 1466 and 2.

COUNT XXXVI

On or about December 14, 1988, in the State and District of Minnesota, the defendants,

FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

they then being engaged in the business of selling and transferring obscene matter, did knowingly possess with intent to distribute an obscene film, videotape and audio recording, which had been shipped and transported in interstate commerce, to wit: "She Male Encounters, #3", at Adult Entertainment Center, 420 Hennepin Avenue, Minneapolis, Minnesota; all in violation of Title 18, United States Code, Sections 1466 and 2.

COUNT XXXVII

On or about February 28, 1989, in the State and District of Minnesota, the defendants,

FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

they then being engaged in the business of selling and transferring obscene matter, did knowingly possess with intent to distribute an obscene magazine which had been shipped and transported in interstate commerce, to wit: *Leather Sleaze*, at Adult Entertainment Center, 420 Hennepin Avenue, Minneapolis, Minnesota; all in violation of Title 18, United States Code, Sections 1466 and 2.

COUNT XXXVIII

On or about March 10, 1989, in the State and District of Minnesota, the defendants,

FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

they then being engaged in the business of selling and transferring obscene matter, did knowingly possess with intent to distribute obscene films, videotapes and audio recordings, which had been shipped and transported in interstate commerce, to wit: "Collection, Volume #3" and "The Lusty Adventurer", at Video Hits, 5309 36th Avenue North, Crystal, Minnesota; all in violation of Title 18, United States Code, Sections 1466 and 2.

COUNT XXXIX

On or about March 10, 1989, in the State and District of Minnesota, the defendants,

FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

they then being engaged in the business of selling and transferring obscene matter, did knowingly possess with intent to distribute obscene magazines which had been shipped and transported in interstate commerce, to wit: *Let's Have a Fuck Party* and *Sweet Ass*, at the Chicago-Lake Bookstore, 741 East Lake Street, Minneapolis, Minnesota; all in violation of Title 18, United States Code, Sections 1466 and 2.

COUNT XL

On or about March 24, 1989, in the State and District of Minnesota, the defendants,

FERRIS JACOB ALEXANDER, SR.,  
DOLORES ALEXANDER,  
JEFFREY ALEXANDER, and  
WANDA MAGNUSON,

they then being engaged in the business of selling and transferring obscene matter, did knowingly possess with intent to distribute an obscene magazine which had been shipped and transported in interstate commerce, to wit: *Sweet Ass*, at Wabasha Books, 15 East Superior Street, Duluth, Minnesota; all in violation of Title 18, United States Code, Sections 1466 and 2.

COUNT XLI

On or about May 21, 1985, in the State and District of Minnesota, the defendant,

FERRIS JACOB ALEXANDER, SR.,

for the purpose of impeding, impairing, obstructing and defeating the lawful functions of the Internal Revenue Service in the ascertainment, computation, assessment and collection of the revenue and for concealing his true identity, and with intent to deceive, did willfully and knowingly falsely represent that account number 348-12-0381 was the social security account number assigned by the Secretary of Health and Human Service of the United States to him, when in fact, as the defendant well knew, such number was not the social security account number assigned by the Secretary to the defendant; all in violation of Title 42, United States Code, Section 408(g) (2).

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**Jury Instructions Regarding Forfeiture**  
**Transcript Vol. XXXIX, pp. 144-154**  
**May 24, 1990**

\* \* \*

[p. 144] THE COURT: Thank you, counsel. Ladies and gentlemen, I think the first thing that I want to tell you is, there's no more surprises, and depending on whatever you do, there won't be any more work for you to do, so this is the last job and the last series of questions. It's a lengthy series of questions, and at this time I will instruct you.

I am not supplying you with a copy of the instructions for you to review as we go over them. You will discover these instructions are a good deal shorter than the last, [p. 145] although I will supply you with a copy, the same sort of scrolled copy that you worked with as you went through the last part of your work. In a few cases I will repeat things that you had heard before or that you saw before. I will not go over with you the responsibilities of the lawyers, the fashions in which you might review or analyze evidence, comments about expertise and comments about credibility and your ability to draw conclusions. If ever I have seen an educated jury, and one that is well familiar with those principles, you are now before me, and there's no reason for me to go over them again.

But let me tell you, as I did before, that now that you have heard the evidence and you've heard all sides argue, it is again my duty to give you the instructions of the law which are applicable to this phase of the case. And, again, it is your duty as jurors to follow the instructions which I



give to you, and apply the rules of law to the facts which you find them as you work toward rendering your verdict.

Again, counsel have referred at various points to the instructions which I will give you, and again I tell you that anything that I say in these instructions will overrule any statements that they have made in any regard to the contrary. And I know that you understand they're permitted to make comments, but when I give you the statements of the law, those are the law that I know you will apply.

[p. 146] Again I tell you, you ought not to select only a single instruction. Again, you must apply all of these instructions, and as I told you before, we are not asking from you your view of the wisdom of the law that you are to apply. That is the law that has been given, and I know it is the law that you will apply to the facts as you have found them.

You are instructed that you should determine what the facts are in this case, and then apply those facts to this law as I give to you. It is not your function to determine whether a given asset should or should not be forfeited, regardless of what each counsel may have said. Your job in this case is to determine whether the particular defendant before you, Ferris J. Alexander, had an interest, had a property right or a contract right in a specific piece of property or specific property, and that property was used as a part of the racketeering enterprise on which you have just entered your verdict of guilty, or whether or not

such property afforded the defendant a source of influence over the establishment, the conduct, or the operation of that enterprise.

Furthermore, I tell you that you should not let punishment be a factor in any regard in your deliberations. Punishment, and punishment under law for any offense charged in the indictment, is a matter exclusively within the [p. 147] province of the Court. Ladies and gentlemen, that is my concern, and it is not your concern, and must never be considered by you in any way in arriving at your impartial verdict in the case.

You have determined by your verdict that the defendant, Ferris J. Alexander, did violate Title 18 United States Code Section 1962(d) as charged in Count IV of the indictment, that was one of the RICO counts, Section 1962(a), as charged in Count V of the indictment, and Section 1962(c) as charged in Count VI of the indictment. The other two of the three, so all three of the RICO counts. Title 18, and now I'm going back into statute with you, Title 18 United States Code Section 1963 provides: That whoever violates any provision of Section 1962, that is the RICO statute, shall forfeit to the United States up to three different items - do you need a glass of water? Okay. Shall forfeit: One, any interest that person has in the enterprise; or second, any property right of any kind which affords him or her a source of influence over the enterprise; or third, any contractual right of any kind which affords him or her a source of influence over the enterprise which he or she has established, operated, controlled, conducted, or participated in in violation of 1982, Section 1982 -



MR. SMITH: 62.

THE COURT: 62, thank you. You must now deliberate [p. 148] and decide whether the defendant has any such interest in or property or contractual right of any kind which afforded a source of influence over any enterprise which that person has established, operated, controlled, conducted or participated in the conduct of in violation of 18 United States Code Section 1962.

Property subject to forfeiture under the RICO Act includes real property, together with any improvements – real property, by the way, if you don't know, is land, basically, or parts of the earth, if you will, buildings on them – together with any improvements, appurtenances, fixtures, as well as tangible and intangible, personal property such as automobiles and bank accounts, as well as rights, privileges, and interests in businesses, partnerships, or corporations.

Your previous determination that Ferris Alexander is guilty of the offenses charged in Counts IV, V, and VI is binding on this part of the proceedings. I instruct you that you are not to discuss and determine again whether or not he is guilty or not guilty of those charges. That question is a settled question.

I further instruct you that what happens to any property or any interest in any property again, as I told you, is exclusively for me to decide. You should not consider what might happen to such property.

[p. 149] In addition, I instruct you, that all of the instructions which I previously gave you to apply during your deliberations, including those dealing with evidence

and dealing with credibility, as I told you, your obligations to deliberate with each other, and the necessity for a unanimous verdict, all standing instructions remain in operation. Okay?

The specific instructions which I gave to you, however, which concerned Counts IV, V, and VI, and the definition of the terms enterprise and pattern of racketeering activity will continue to apply. In this regard the lawyers have agreed I will give you back, if you will, the previous set of instructions. I know that you have probably worn them to a frazzle, but you at least know how to work with them, and you know where things are in them if you need to refer to them.

The government's burden of proof at this stage of the proceeding is to prove each element beyond a reasonable doubt. It is the same standard of proof that you previously applied. Again I would tell you and remind you that does not require the government to prove each element beyond all possible doubt, the test is reasonable doubt.

The burden always lies upon the government, the prosecution, if you will, to prove each element beyond a reasonable doubt, and again the burden does not shift to the [p. 150] defendant. The law never imposes on a defendant in a criminal case the burden or the duty of calling any witnesses or producing any evidence, and so if the jury after careful and impartial consideration of all of the evidence in the case has that reasonable doubt as to any question in the special verdict form, which I will give to you in a few minutes, you would of course answer no to that question.

And there has been prepared a special verdict form. I will not read this to you, but I want to tell you about it and describe it to you. The verdict, as you will see, is divided by item number. We have not put the caption at the top. It is obviously the same case, and concerns the same case. It is numbered, and divided by item number, each number relating to a particular item of property or an asset, and you are going to be asked two sets of questions about each of those items, and you will place an "X" on the proper line.

Ladies and gentlemen, it begins, and it's not stapled together, so you can kind of move through it a little bit, on the other hand, if you can kind of keep it together at the end, and I notice you're very good at that, because you lined up all the evidence when you were done and all in numerical order, and thank you. Special verdict form as to Ferris Alexander is its title, and it begins with item [p. 151] number one, as you've cleverly guessed. And then there's a description of the item. It says here all interests, holdings, assets, and claims of a business known as A.B. Distributors, also known as, or including but not limited to, inventory, accounts receivable, business name or names of vehicles, equipment, office furniture, computers, safes, television sets, video cassettes, and bank accounts, so in reference to A.B. Distributors, there then follows two questions. One: Does the defendant, Ferris Alexander, have an interest in this business? Yes/no. Number two: Was this business used by defendant, Ferris Alexander, to establish, operate, control, conduct, or participate in the conduct of an enterprise in violation of the racketeering laws? Yes/no.

Let me just skip ahead, I just turned to number 43, because I went from a business to a piece of real property, now, I believe. Number 43 is, and I just - I hit that one just because I pulled it, but there's a number of pieces of real property involved also. Real property, this is item 43, and the description is, real property, including any buildings, improvements, appurtenances, and fixtures thereof, located at 319 to 323 South Broadway, Rochester, Olmstead County, Minnesota, commonly known as Broadway Book 2, first question: Does the defendant, Ferris J. Alexander, have an interest in such property? Yes/no. Two: Was this [p. 152] property used in or did it afford a source of influence over the enterprise that defendant, Ferris J. Alexander, established, operated, controlled, conducted, or participated in the conduct of in violation of the racketeering laws? Answer: Yes/no. Okay.

That's a description for our purposes of this verdict form. The indictment in the case, and you will again be supplied with the portions of the indictment which you have had up until now, alleges that defendant, Ferris Alexander, has an interest in a business known as A.B. Distributors, also known as the Newspaper Club, Kenneth LaLonde Enterprises, LeRoy Wendling, American Book Wholesalers, United States Video, which is spelled for some reason Sates, U.S. Video, United States Video Distributors, American Book Wholesalers, A.B. Video, A and B Distributors, American Theater Supply Company, A.B. Distributing, Magazine and Book Agency, J. Thomas Company, John Thomas Company, Baker Investment, Bell Investment, Video Hits, and Express Entertainment.

You, the jury, have the responsibility to determine whether Ferris Alexander has an interest in each separate entity on the verdict form, and whether again that entity was used in the establishment, operation, control, or conduct of the enterprise for which the defendant has been convicted.

[p. 153] The indictment alleges that the defendant, Ferris Alexander, has an interest in a corporation known as Haista Paska, Inc. Also known as Haista Paska. Hais-tpka, and you'll see the spelling, but I believe it's used in some places or suggested that it's used in that fashion, Video Hits, Inc., and Video Hits, which is alleged to be a subject to forfeiture by the government.

You, the jury, have the responsibility, again, to determine whether Ferris Alexander has an interest in this corporation and whether that corporation was used in the establishment, operation, control, or conduct of the enterprise for which the defendant has been convicted.

There is similar inquiry about each of the pieces of real estate. You'll recall as I went over 43 I picked up that one. I could have also paged and hit one of the corporations. I didn't hit those, but each of those kinds of property is listed and dealt with.

Ladies and gentlemen, again I remind you that your verdict will have to be unanimous as to every answer that you will put on this form. You will take the form with you to the jury room. Again, when you have reached your unanimous verdict as to each of the subject questions, you will direct your foreperson to sign and date the form and return with that verdict form into this courtroom.

As you did at the end of the first phase, you will upon [p. 154] retiring to the jury room either select a new foreperson or continue with the same foreperson whom you previously have selected. That person will preside over your deliberations and will remain your spokesperson in and before this Court.

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**Transcript of Sentencing Hearing,  
August 6, 1990**

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[p. 67] THE COURT: I have received a number of letters, Mr. [p. 68] Alexander, letters from members of your family, some letters from the community. Your lawyers have been careful to keep me advised of all of their positions and their arguments. I have thought very hard about all of these matters and the evidence which I learned at trial.

You ask why others are not charged. And I tell you, sir, that is not a question that I am concerned with, nor is it a question with which you need to be concerned. The Government has the authority and responsibility of enforcing the laws and there are not enough prosecutors, as many as they seem to be able to create, to root out every violation of the law. But, that is no defense when you stand before the Court guilty of a violation of the law. If they have prosecuted properly and tried their case fairly and you have violated the law, that is your problem. The other is a philosophical discussion which need not be engaged in and I decline to discuss it further.

I tell you, sir, that I am absolutely convinced that you had a fair and a full trial. You were well represented by good and competent lawyers who worked zealously on your behalf. You know and they know that you faced a competent and quality jury that worked hard and deliberated hard and drew distinctions in their work showing that they understood the law full well and applied it in a fair fashion as best they were able.

[p. 69] I tell you, sir, as I sit here, there is not a more staunch defender of the First Amendment than the judge who sits on your case. And I do not put that in for any self congratulations, but I tell you, I am aware as you are that pornography, obscenity, is not within the ambit of the First Amendment and the Supreme Court has said so from the beginning. And so, you are not being prosecuted and have not been found guilty of dealing in protected matters.

You are well aware, and the record and the published opinions will show this Court's concern. The record will also show that your businesses have been permitted to continue out of respect and concern for that same first amendment. And I will tell you that that has not been without careful and intense scrutiny by the Government and by the public.

You stand before me convicted of RICO offenses, convicted of obscenity offenses, convicted of tax evasion offenses. I note that the Government proved, at much difficulty, the loss of some \$2.7 million, or the under-reporting of some \$2.7 million in revenues. That was only money that moved through and left some kind of tracks. You know as you sit there that every quarter that passed through every machine in every peep show in every store didn't pass a counter. And the money was brought in in buckets and placed on your desk. And apparently, according to the testimony, once a month you [p. 70] reported the total revenue you realized. I do not comment further on whether or not there may in fact be other dollars that were found to have been short.



I tell you that I have pending before me motions which seek arrest of judgment or a new trial; and those motions are denied. At the same time as I consider some of those things, I also consider, sir, your family. If there is one thing in the world to which you seem to be dedicated, while the Government urges it is money, it is also your family as you see it. I am aware that you have taken care of children, kept them in your home when difficult times had befallen them, and that is always commendable. But, the reality is that all of our activities must be conducted within the law. Your children and your family are arrayed before you at this time and that speaks well for their care for you.

But, now I want to talk a bit more about your care for the community. You have chosen to engage in business and in activities, and you have done so in a fashion which has much benefited you and you are aware has much cost the community.

When Ferris Alexander bought a building, he bought it at a price, which he is entitled to do, but scared the community. And the community paid dear for the pleasure of asking you to leave. And you profited.

Now, we operate in a mercantile society and you are permitted to do so, but you knew what you were doing, and [p. 71] that brought concerns to the community. And that is not a factor in your sentence, but it is a real factor in terms of your work and the things which you did.

I tell you that your concern for the Court is a disgrace. The testimony which you gave in this Court in many cases I did not find to be perjurious, that is a decision for grand juries and other prosecutions, but a

willingness, if you don't like one version of the facts, I will give you a different one. If you don't like to file things under your name, they will be filed under someone else's. Sworn documents were filed in this Court at your behest by people who didn't even know they were parties to the case. And they were filed in a fashion which advanced and benefited your case, your position, your business, as you saw fit to transact it.

You did your business and your banking through systems that were known to you and secreted in every other fashion from the world. Money would come in and money would go out. And some more would go in, but it would never be accounted for in any fashion. And you tell me that it is an accounting function.

Sir, filing your income under nominees, under a Kenneth LaLonde, or under a Leroy Wendling is not an accounting decision, it is a managerial decision designed to hide what you had and what you earned. And when you did it, you were [p. 72] not following that kind of advice that a person would line themselves. Those people made what, eight, ten, \$14,000 a year? But instead, they reported - what? Two million, three million dollars a year, four million? That wasn't their money, it was yours. You don't need a CPA to tell you that and you don't need a judge to tell you that. But, I am telling it to you now, because it was proven in this courtroom.

All of your records were kept, according to your lawyers, but the Court is well aware that large numbers of the money orders were obtained not by tracing your records, but by subpoenaing ten or twenty numbers ahead and behind what you had in your records, and

they picked them up because your records didn't encompass those.

You have hidden yourself behind a friend who you claim to honor, Pete Saba, who is now gone, but has made, remarkably, an appearance by writing a letter on your behalf which was published in the Minneapolis paper since your conviction. As a person who used to practice in Chicago, it is always fascinating to me how those things go. You have created fictitious characters to operate on your behalf. Mr. Alexander, you have knowingly chosen to skate near the edge. You have done so knowingly and you have done so willfully. And when you do, the ice can crack.

I tell you, Ferris Jacob Alexander, that you have been [p. 73] charged in Count 1 with conspiracy to defraud the United States by impeding the Internal Revenue Service, that being in violation of 18 United States Code Section 371.

In Counts 2 and 3, with filing a false tax return, in violation of 26 United States Code section 7206.

In Count 4, with conspiracy to violate the RICO, Influenced Corrupt Organization - I am sorry, the Racketeering Influenced Corrupt Organization Act, that is RICO, in violation of 18 United States Code Section 1962D.

In Count 5, with investing racketeering proceeds in violation of 18 United States Code, 1962A.

In Count 6, with conducting a RICO enterprise through a - an enterprise through a pattern of racketeering activity violating 18 United States Code 1963D.

In Counts 7, 8, 9, 20, 21, 22, 23, 24, 25, 28, 30 and 31, with interstate transportation of obscene material for the purpose of sale in violation of 18 United States Code, Section 1465.

In Counts 33, 34, 35, 36, 37, and 39, with engaging in the business of selling obscene material, in violation of 18 United States Code, Section 1466.

And in Count 41, with using a false Social Security number, violating 42 United States Code, Section 408G(2). Based upon the jury's verdict of guilty as to those counts, it is considered and it is adjudged that you are guilty of [p. 74] those offenses.

Therefore, it is adjudged that as to Counts 1, 2, - or I'm sorry, 1, 4, 5, 6, 7, 8, 9, 24, 25, 33, 34, 35, 36, 37 and 39, the Defendant is committed to the custody of the Bureau of Prisons for imprisonment for a term of 72 months, each term to run concurrently with the other.

Further, it is adjudged that as to Counts 1, 4, 5, 6, 7, 8, 9, 24, 25, 33, 34, 35, 36, 37 and 39, the defendant will serve a term of supervised release, during which it is required that you comply with all state and federal and local laws, that you abide by the rules and the regulations of the probation office. And you will be not permitted to possess firearms or dangerous weapons. The sentences of supervised release will run concurrently, on with another.

Further, it is adjudged that as to Counts 1, 4, 5, 6, 7, 8, 9, 24, 25, 33 through 37 and 39, the Defendant will pay a fine in the committed sum of \$100,000.

Further, it is adjudged that as to those same counts, the Defendant will pay the costs of his incarceration and

supervised release. At this time that is in the amount of \$1,415.56 for the period of incarceration, and \$96.66 for the months of the term of your supervised release. And that is in accord with the presentence investigation.

Further, it is adjudged that as to those counts, the Defendant will pay a special assessment in the sum of \$750, [p. 75] which represents \$50 for each count. That supervised release term will run for a period of three years.

Further, it is adjudged that as to Counts 2, 3, 20, 21, 22, 23, 28, 30, 31, and 41, you are committed to the custody of the Attorney General for imprisonment for a term of three years which sentence will run concurrent to each other and similarly concurrent with those sentences which were previously imposed.

It is a further adjudged that as to Counts 20, 23, 31 and 41, you will pay a special assessment in the amount of \$200, which represents the sum of \$50 for each count. That makes a total, I believe, of 950 in special assessments.

It is further adjudged that you shall forfeit the property and proceeds set forth in this Court's order which will be issued later today, but I tell you that under the RICO law, those are the sums which have been seized by the United States and aggregate in excess of \$8,000,000 in cash and personal property, as well as each entity and parcel of real estate which was found subject to forfeiture by the jury in this case.

You will also, as I have indicated, pay your costs of prosecution and your costs of imprisonment. This order

implementing the RICO forfeiture provisions will be issued in full, and it will be incorporated into this sentencing memorandum as part of its statement of reasons.

[p. 76] I tell you, Mr. Alexander, that you have an absolute right, both respecting your conviction and your sentence, under the Rules of Federal - Federal Rules of Civil Procedure, Federal Rules of Criminal Procedure, 32A(2) to appeal both your conviction and this sentence. That appeal must be filed within ten days, and I am confident that your lawyer will take that step.

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UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA  
FOURTH DIVISION  
CRIMINAL NO. 4-89-85

UNITED STATES OF AMERICA,	)	
	)	
Plaintiff,	)	FINAL ORDER
	)	OF FORFEITURE
v.	)	
FERRIS J. ALEXANDER, SR.,	)	(Filed
and WANDA MAGNUSON,	)	Jan 30, 1991)
	)	
Defendants.	)	

The above-entitled matter is before this Court with respect to petitions filed pursuant to Title 18, United States Code § 1963 (1) to property forfeited to the United States by Court Order and Judgment of Forfeiture, paragraph 2, to wit:

Real property, including any buildings, improvements, appurtenances and fixtures thereof located at 311-315 East Lake Street, Minneapolis, Legally described as Lots 38 through 41 inclusive, State Addition to Minneapolis, Hennepin County, Minnesota, and commonly known as the AB Distributors Company.

Following a full hearing conducted on November 8, 1990 held pursuant to Title 18, United States Code § 1963 (1) (6) at which all petitions regarding the subject property were considered, and based on the Stipulation Re Claim of the Kuechles and Armstrong filed herein, and this Court further taking into consideration the record of

the criminal trial which resulted in its Order of Forfeiture, the Court makes the following findings of fact, conclusions of law, and order:

1. This Court has jurisdiction of the petitioners asserting legal interests in the real property and to adjudicate the validity of their claimed interests.

2. The United States provided direct Notice of the Order and Judgment of Forfeiture, its intent to dispose of the property, and the rights of third parties to petition the Court for a hearing on their claims to the following persons and entities:

- a. Dolores Alexander
- b. Jefferey Alexander
- c. Caroline Alexander
- d. Robin Alexander
- e. Susan Alexander
- f. Ferris J. Alexander, Jr.
- g. Gust Alexander
- h. State of Minnesota
- i. Hennepin County
- j. Harry B. Kuechle
- k. Virginia Kuechle

3. The United States published Notice of the Order and Judgment of Forfeiture, of its intent to dispose of the property, and the rights of third parties to petition the Court for a hearing on their claims in the following newspapers of general circulation:

- a. Minneapolis Star Tribune from August 19 to September 2, 1990.
- b. St. Paul Pioneer Press from August 20 to September 3, 1990.



- c. Finance and Commerce from August 17 to August 31, 1990.
  - d. Rochester Post Bulletin from August 21 to September 4, 1990.
  - e. Winona Daily News from August 21 to September 4, 1990.
4. The following persons or entities filed petitions with this Court and requested a hearing as to the validity of their claims of legal interest:
- a. Dolores A. Alexander on September 6, 1990
  - b. Hennepin County on September 27, 1990.
  - c. Harry B. Kuechle, Virginia M. Kuechle, William E. Kuechle, Betty R. Kuechle, and Ione K. Armstrong on August 31, 1990.
5. With respect to the petition of Dolores A. Alexander, this Court specifically finds that the claimant has not established that she has any present legal right, title or interest in the subject property.
6. This court further finds that Dolores A. Alexander's inchoate interests in the property of her husband, Ferris J. Alexander, Sr., have been terminated by the forfeiture of his interest in this property to the United States.
7. With respect to the petition of Hennepin County, this Court specifically finds that the following real estate taxes were due and owing as of August 6, 1990 and constitute a prior encumbrance on the real estate superior to the interest of the United States:

1989:	\$7,421.92
1990:	6,646.67
	<u>14,068.59</u>

8. The interest of Ferris J. Alexander in the above-described property which is subject to forfeiture in this proceeding is the vendee's interest under a certain Contract for Deed dated March 9, 1981, and duly recorded in the office of the Hennepin County Recorder on March 20, 1981, as Document No. 4632159, as modified by a certain Extension Agreement made in March of 1989.

9. With respect to the petition of Harry B. Kuechle, Virginia M. Kuechle, William E. Kuechle, Betty R. Kuechle, and Ione Armstrong, contract for deed vendors, this court specifically finds that the petitioners have a legal interest in said property which is prior to the interest of the United States, and that the amount due and owing to these petitioners on the contract for deed is an unpaid principal balance of \$42,083.21, plus unpaid interest on said sum at the rate of 11% per annum from June 1, 1990, plus any other sums payable pursuant to the Extension Agreement.

10. That it appears from the record that no other claims, contested or otherwise, have been filed with respect to the subject property described in paragraph 2 of this Court's August 6, 1990 Order and Judgment of Forfeiture.

IT IS HEREBY ORDERED, ADJUDGED and DECREED:

1. That the vendee's interest under the above-described Contract for Deed (Document No. 4632159 in the office of the Hennepin County Recorder) in the following property is condemned and forfeited to the United States:

Lots 38 through 41 inclusive, State Addition to Minneapolis, Hennepin County, Minnesota.

2. That the United States has clear title to the above-described vendee's interest in real property and may warrant good title to any subsequent purchaser or transferee by U.S. Marshal's Deed.

3. That the United States Attorney General or his designated agent shall direct the disposition of the forfeited property by sale or other commercially feasible means and the proceeds of any sale or other disposition of the property shall be used to pay all proper expenses for the forfeiture and the sale, including expenses of seizure, maintenance and custody of the property pending its disposition, advertising, and court costs.

4. That the United States Attorney General shall further pay out of the sale proceeds Hennepin County property taxes in the amount of \$14,068.59 and shall obtain from the taxing authority an appropriate release, cancellation and satisfaction, which the County taxing authority is hereby ordered to deliver upon payment, evidencing payment of the same.

5. That the interests of the contract for deed vendors shall also be satisfied out of the sale proceeds, and upon receipt of all sums due them, said petitioners shall execute an appropriate deed conveying their interest to the United States or the grantee as directed by the United States Marshal.

6. That the United States Attorney General or his designated agent shall deposit any remaining proceeds from the sale of the forfeited property into the Treasury pursuant to Title 18, United States Code § 1963 (f).

The Clerk is hereby directed to send copies of this Order to all counsel of record and the United States Marshal.

LET JUDGMENT BE ENTERED.

Dated: January 28, 1991

/s/ James M. Rosenbaum  
JAMES M. ROSENBAUM,  
Judge  
United States District Court

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UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA  
FOURTH DIVISION  
CRIMINAL NO. 4-89-85

UNITED STATES OF AMERICA,	)	
Plaintiff,	)	
v.	)	FINAL ORDER
FERRIS J. ALEXANDER, SR.,	)	OF FORFEITURE
and WANDA MAGNUSON,	)	
Defendants.	)	

The above-entitled matter is before this Court with respect to petitions filed pursuant to Title 18, United States Code § 1963 (1) to property forfeited to the United States by Court Order and Judgment of Forfeiture, paragraph 11 through 28, to wit:

1. All interests, holdings, assets and claims in non-corporate businesses known as:

AB Distributors  
The Newspaper Club  
Kenneth LaLonde Enterprises  
LeRoy Wendling  
The Superior Street Company  
Express Entertainment  
United States Video  
U.S. Video  
United States Video Distributors  
Baker Investments  
American Book Wholesalers  
A.B. Video  
A & B Distributors  
Bell Investments  
American Theater Supply Company

Video Hits  
AB Distributing  
Magazine and Book Agency

including but not limited to inventory, accounts receivable, business name or names, vehicles, equipment, office furniture, computers, safes, television sets, video cassette recorders, U.S. currency, and all funds credited to the following bank accounts as of May 25, 1990:

- a. A bank account held in the name of the Newspaper Club with the Union Bank & Trust Company, Account No. 101084400.
- b. A bank account in the name of A.B. Distributors with the First Bank - St. Anthony Falls, Account No. 206-3023-374.
- c. A bank account in the name of Broadway Bookstore with the Marquette Bank and Trust, Rochester, Account No. 2389-625.
- d. A bank account in the name of U.S. Video with the Marquette Bank and Trust, Rochester, Account No. 2488-925.
- e. A bank account in the name of Wabasha Bookstore with the Norwest Bank, Duluth, Account No. 0116-863.
- f. A bank account in the name of Ferris J. Alexander with the First Bank Duluth, Account No. 1095-930.
- g. A bank account in the name of American Theater Supply and the Gardner Hotel with the Norwest Bank, Duluth, Account No. 116-848.



- h. A bank account in the name of Ferris Alexander with the Merchants National Bank of Winona, Account No. 25-873.
  - i. A bank account in the name of Ferris Alexander, Edward Alexander and/or The American Book Wholesalers with the First Bank - St. Anthony Falls, Account No. 706-2051-334.
  - j. A bank account in the name of Haista Paska, Inc., d/b/a Video Hits, with the First Bank - St. Anthony Falls, Account No. 206-3027-052.
  - k. A bank account in the name of A.B. Video with the First Western State Bank, Account No. 44-057.
  - l. A bank account in the name of United States Video, Inc., and A.B. Distributors with the First State Bank of St. Paul, Account No. 15-05-510.
  - m. A bank account in the name of Video Hits with the Union Bank and Trust Co., Account No. 101085400.
  - n. A bank account in the name of Haista Paska, Inc. d/b/a Video Hits with the First Bank - St. Anthony Falls, Account No. 206-3027-052.
  - o. A bank account in the name of Video Hits with the Merchants National Bank of Winona, Account No. 7-173.
2. All rights, interests, holdings and claims in a non-corporate business entities known as:
- The Flick  
The Wabasha Bookstore a/k/a The Wabasha

Adult Bookstore  
The Lake Street Bookstore  
The Adult Entertainment Center  
Chicago-Lake Bookstore  
American Empress Theater and Bookstore  
a/k/a American Bookstore  
Nicola's Bookstore  
East Hennepin Video Book & Theater  
Broadway Book I  
Broadway Book II  
Joey's Adult Bookstore  
The Ultimate Bookstore  
Video Hits, Winona

including inventory, equipment and furnishings.

- 3. The above-mentioned bank accounts and all funds credited to the accounts as of the date of this indictment and traceable from the accounts as of the date of and subsequent to the indictment together with the contents of any safe deposit box maintained by and on behalf of Ferris J. Alexander.
- 4. The following personal property and the proceeds thereof: all 8 mm projectors, television monitors, coin boxes and their contents, safes, video cassette tape players, video cassettes, magazines, other printed material, shelving and display material, chairs, tables, office equipment and furniture, cash registers and their contents, U.S. currency, computers, adding machines, and other inventory.
- 5. The following motor vehicles: a 1986 Dodge Van, Vehicle Identification No. 2B7FB13H8GK534657; a 1985 Chevrolet Van, Vehicle Identification No.



2GCEG25H2F416185; a 1976 EZ-Load Trailer, Vehicle Identification No. 61200D.

6. All monies acquired, maintained, or constituting proceeds which the defendant obtained, directly or indirectly, from racketeering activity in violation of Section 1962 for the years 1985, 1986, 1987 and 1988 as follows:

(1)	1985 - \$2,011,543.58
(2)	1986 - \$1,856,820.52
(3)	1987 - \$2,484,845.00
(4)	1988 - \$2,557,339.00
<u>TOTAL - \$8,910,548.10</u>	

Following a full hearing conducted on November 8, 1990 pursuant to Title 18, United States Code § 1963 (1) (6) at which all petitions regarding the subject property were considered, and this Court further taking into consideration the record of the criminal trial which resulted in its Order of Forfeiture, the Court makes the following findings of fact, conclusions of law, and order:

1. This Court has jurisdiction of the petitioners asserting legal interests in the real property and to adjudicate the validity of their claimed interests.

2. The United States provided direct Notice of the Order and Judgment of Forfeiture, its intent to dispose of the property, and the rights of third parties to petition the Court for a hearing on their claims to the following persons and entities:

- a. Dolores Alexander
- b. Jefferey Alexander

- c. Caroline Alexander
- d. Robin Alexander
- e. Susan Alexander
- f. Ferris J. Alexander, Jr.
- g. Gust Alexander
- h. State of Minnesota
- i. Hennepin County
- j. Olmsted County
- k. Winona County
- l. Centraire, Inc.
- m. George Brumm
- n. Harry & Elaine Endthoff
- o. Alta Herrick
- p. Leona Peterson
- q. Donald Bundlie
- r. St. Paul Housing Authority
- s. Minneapolis Community Development
- t. U.S. Video, Inc.

2. The United States published Notice of the Order and Judgment of Forfeiture, of its intent to dispose of the property, and the rights of third parties to petition the Court for a hearing on their claims in the following newspapers of general circulation:

- a. Minneapolis Star Tribune from August 19 to September 2, 1990.
- b. St. Paul Pioneer Press from August 20 to September 3, 1990.
- c. Finance and Commerce from August 17 to August 31, 1990.
- d. Rochester Post Bulletin from August 21 to September 4, 1990.
- e. Winona Daily News from August 21 to September 4, 1990.

3. The following persons or entities filed petitions with this Court and requested a hearing as to the validity of their claims of legal interest:

- a. Dolores A. Alexander on September 6, 1990 – claim to any proceeds in a Video Hits Bank Account located at the Union Bank and Trust Co.
- b. U.S. Video, Inc. on September 12, 1990 – claim to personal property stored at 311-315 East Lake Street, Minneapolis, Minnesota.

4. With respect to the petition of Dolores A. Alexander, this Court specifically finds that the claimant has not established that she has any present legal right, title or interest in the subject property.

5. With respect to the petition of U.S. Video, Inc., this Court specifically finds that the petitioner is entitled to take possession of and remove all personal property identified on the stipulated inventory as having been stored by the petitioner at 311-315 East Lake Street, Minneapolis, Minnesota.

6. That it appears from the record that no other claims, contested or otherwise, have been filed with respect to the subject property described in paragraph 11 through 28 of this Court's August 6, 1990 Order and Judgment of Forfeiture within thirty days of publication by the United States of Notice of said Order.

IT IS HEREBY ORDERED, ADJUDGED and DECREED:

1. That the personal property is condemned and forfeited to the United States except as provided in the

stipulation filed with the Court as to the claim of U.S. Video, Inc.

2. That the United States has clear title to the above-described personal property and may warrant good title to any subsequent purchaser or transferee by U.S. Marshal's Deed.

3. That the United States Attorney General or his designated agent shall direct the disposition of the property by sale or other commercially feasible means and the proceeds of any sale or other disposition of the property shall be used to pay all proper expenses for the forfeiture and the sale, including expenses of seizure, maintenance and custody of the property pending its disposition, advertising, and court costs.

4. That the United States Attorney General or his designated agent shall deposit any remaining proceeds from the sale of the forfeited property into the Treasury pursuant to Title 18, United States Code § 1963 (f).

The Clerk is hereby directed to send copies of this Order to all counsel of record and the United States Marshal.

LET JUDGMENT BE ENTERED.

Dated: January 28, 1991

/s/ James M. Rosenbaum  
JAMES M. ROSENBAUM,  
Judge  
United States District Court